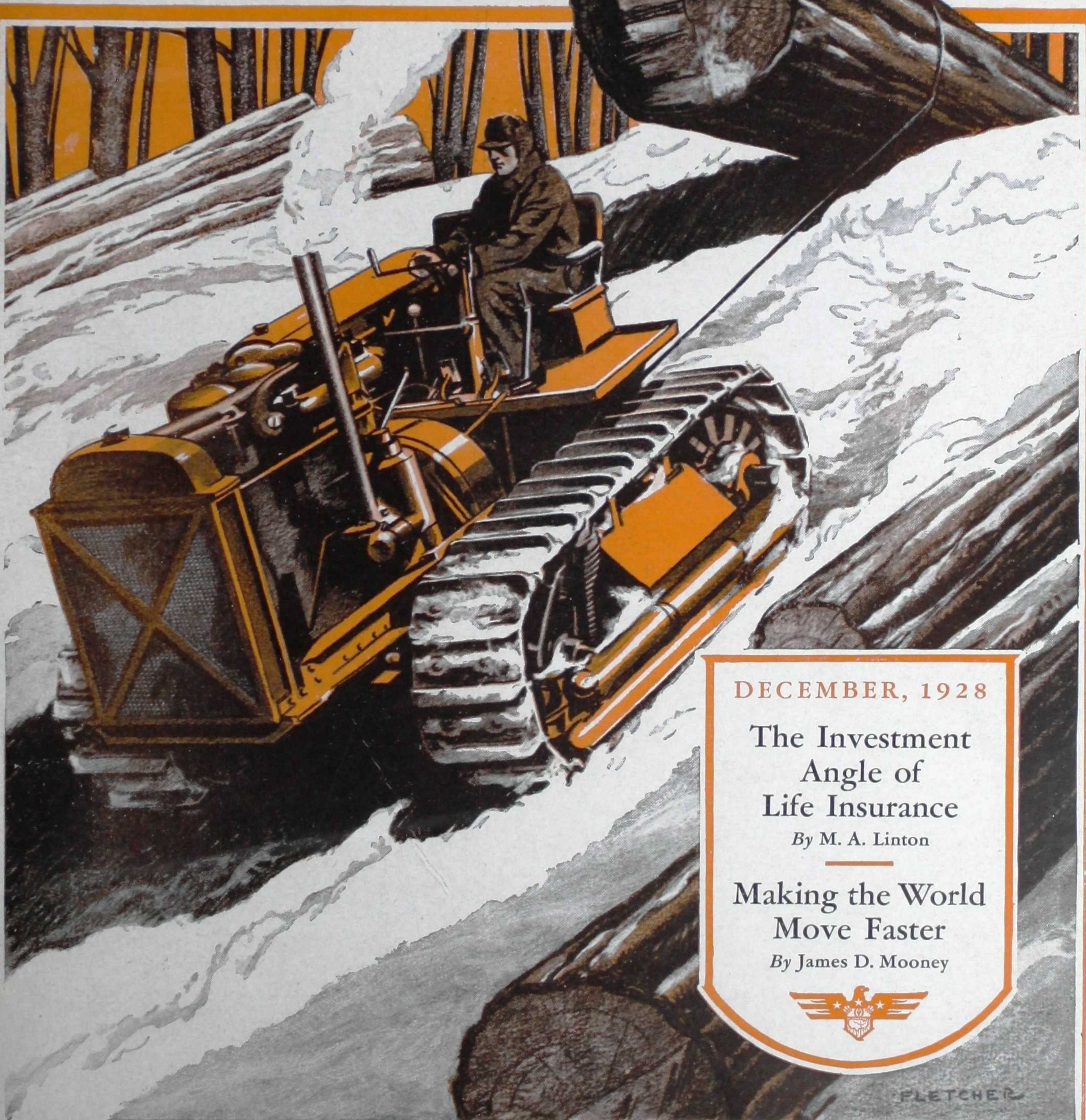


# NATION'S BUSINESS



DECEMBER, 1928

The Investment  
Angle of  
Life Insurance

By M. A. Linton

Making the World  
Move Faster

By James D. Mooney

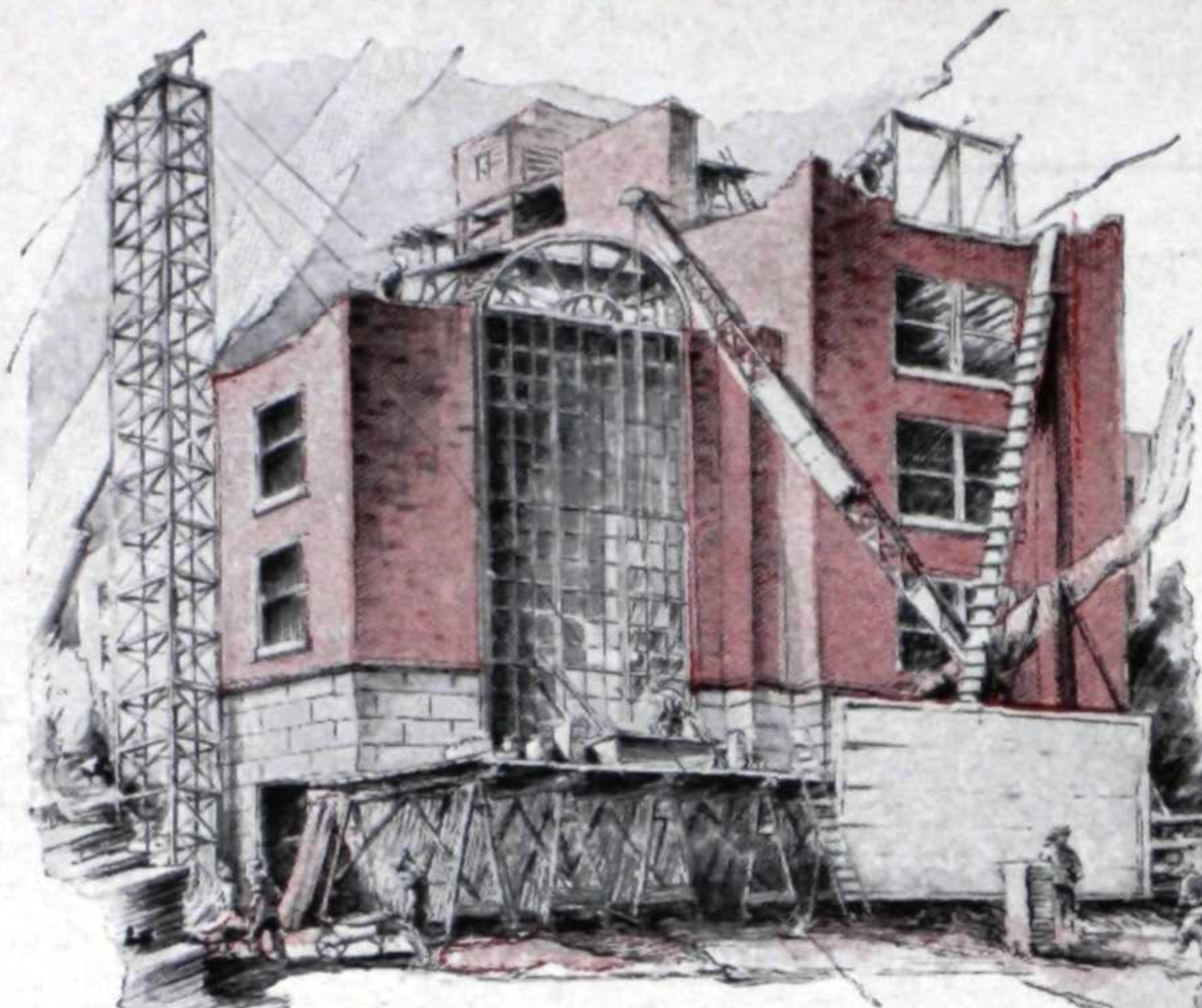


MORE THAN A QUARTER MILLION CIRCULATION



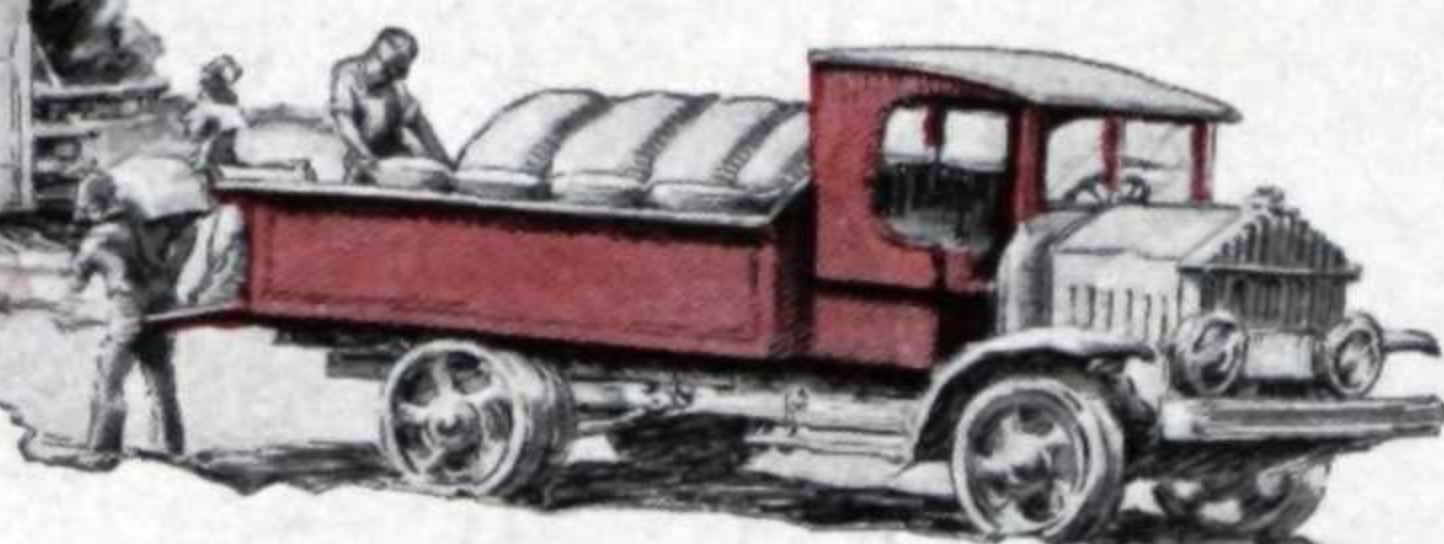
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Some must be protected against the effects of moisture; in others, weight must be considered, while in many cases, sifting is a problem.



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**GEO. S. MEPHAM  
& CO.**  
which are shipped in  
Bemis Bags

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Barium Sulphate	Mineral Black
Black Filler	Mineral Filler
Black Oxide	Mineral White
Brown Metallic	Mortar Colors
Brown Oxide	Ochre
Buff Oxide	Paris White
Calcium Carbonate	Persian Gulf Oxide
Carbon Black	Polishing Rouge
Cement Colors	Purple Oxide
Chalk	Putty Whiting
Chalk Whiting	Pure Iron Oxides
China Clay	Rouge
Chromium Oxide	Sienna, Raw & Burnt
Clays	Silica
Cliffstone Whiting	Slate Flour
Crocus	Sno-Float Whiting
Emery Wheel Clay	Soapstone
English Lump Chalk	Spanish Oxide
Freight Car Reds and Browns	Stucco Colors
Golden Ochre	Talc
Gray Ochre	Terra Alba
Green Oxide	Tripoli
Gypsum	Turkey Red
Indian Red	Tuscan Red
Kaolin	Umber, Raw & Burnt
Magnesium Silicate	Van Dyke Brown
Magnetic Black	Venetian Reds
Maroon Oxide	Washed Ochre
Metallic Brown	Whiting
	Yellow Oxide

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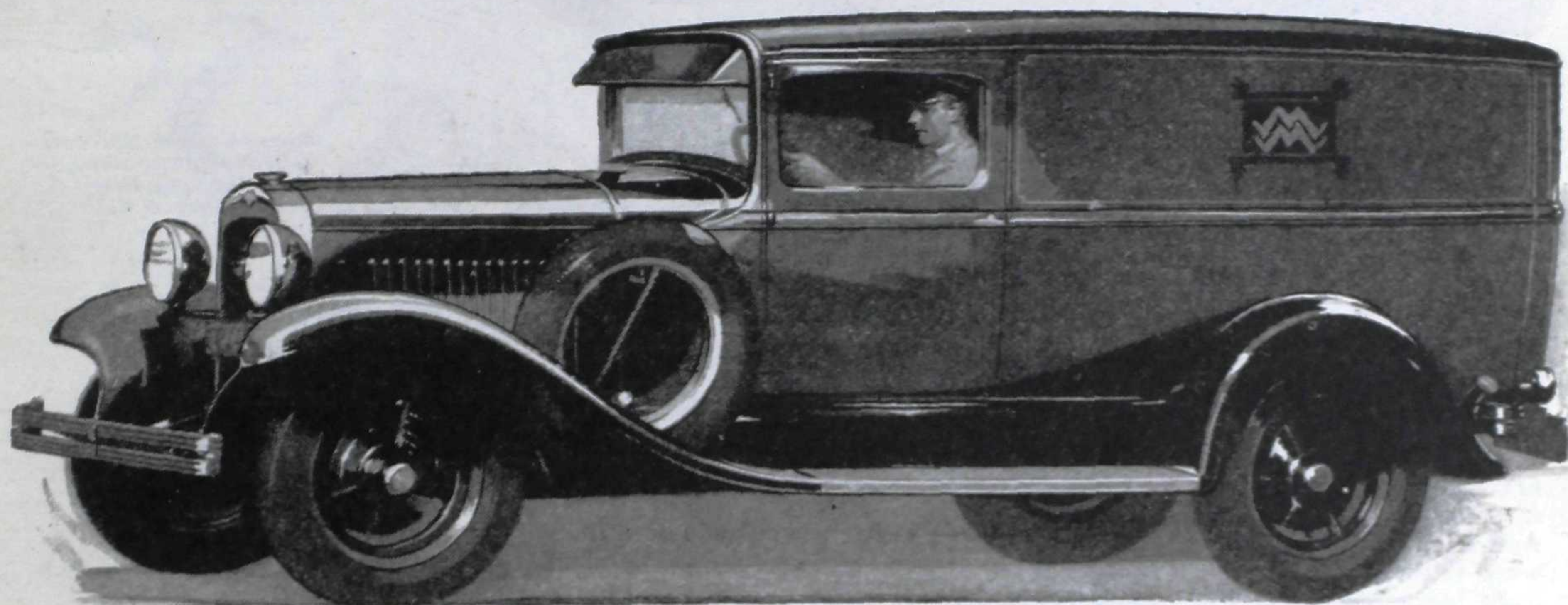
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# FARGO



## Now, CHRYSLER ENTERS the COMMERCIAL CAR FIELD



**N**OW, after four years of thorough experiment and research, Chrysler presents the Fargo 1/2-ton Packet and the Fargo 3/4-ton Clipper — first of a new series of four and six-cylinder delivery trucks. Announcement of the 1-, 1½- and 2-ton trucks will be made later.

In size, capacity and body style these new Fargo commercial cars are calculated to meet the most

severely practical requirements of commercial car users.

It is the firm conviction of Chrysler engineers that business men will find the Fargo introduces entirely new measures of motor equipment value—

**1.** In originality of design—combining for the first time in standard production the type of construction and distinctive appearance you have in the past expected only in special custom-built bodies;

**2.** In outstanding economy of first cost and operating cost;

**3.** In marked dependability, service assurance and performance brought about by engineering developments in the "Silver-Dome" high-compression engine using any gasoline.

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(Complete with Body)

# \$795

AND UPWARD .. F.O.B. DETROIT

Any Fargo dealer will gladly arrange a demonstration, presenting complete evidence of the superiority in dependable money-saving transportation and delivery.

Fargo 1/2-Ton Packet Prices—Panel \$795;  
Sedan \$895, Chassis \$545.

Fargo 3/4-Ton Clipper Prices—Panel \$975;  
Sedan \$1075; Chassis \$725.

(Prices of the Fargo 1-, 1½- and 2-ton trucks will be announced later.)

All prices f. o. b. Detroit. Fargo dealers are in a position to extend the convenience of time payments.

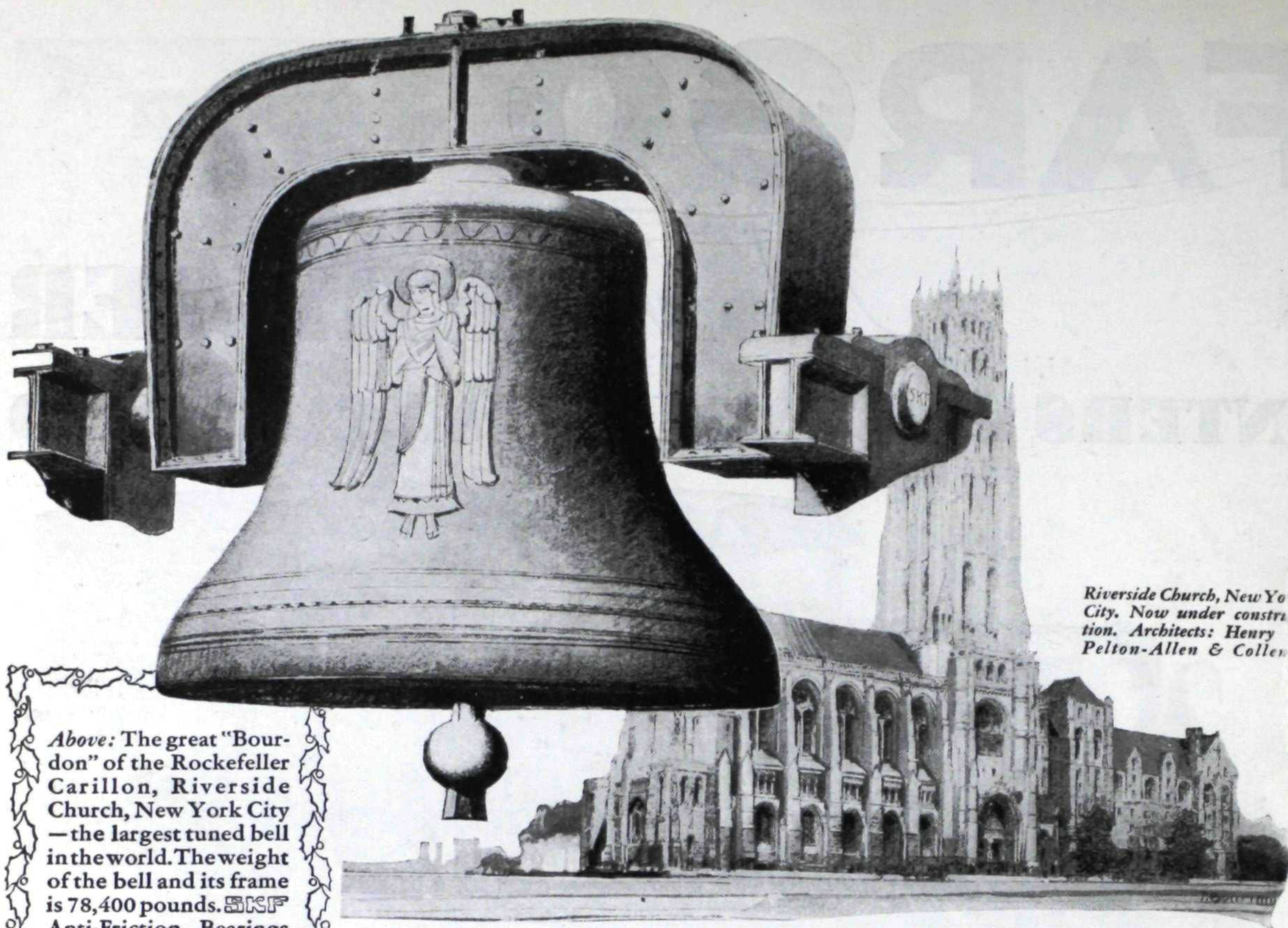


FARGO CLIPPER SEDAN—ideal for salesmen, for merchandise display, for station wagon or bus service. Seating capacity can be provided for eight, with seats instantly removable to permit use of compartment for standard load.

FARGO MOTOR CORPORATION, DETROIT, MICHIGAN  
(Division of Chrysler Corporation)

Nation's Business is published on the 30th of every month by the Chamber of Commerce of the United States, Washington, D. C. Subscription price \$3.00 a year; \$7.50 three years; 25 cents a copy. Entered as second-class matter March 29, 1929, at the Post Office at Washington, D. C., under the Act of March 3, 1879.





Riverside Church, New York City. Now under construction. Architects: Henry Pelton-Allen & Collier.

Above: The great "Bourdon" of the Rockefeller Carillon, Riverside Church, New York City — the largest tuned bell in the world. The weight of the bell and its frame is 78,400 pounds. SKF Anti-Friction Bearings were selected for the main journals and for the clapper and counter-weight which in themselves weigh about one and one-half tons.

The "Bourdon" is one of seven new bells that, when added to the fifty-three bells now in the Carillon, will make the Rockefeller Carillon the largest in the world.



## Helping the vibrant tongues of the largest tuned bells in the world sing out their Christmas songs

SINGING a song of industry all through the year—speeding giant trains along their way—helping great dredges delve into river bottoms—whirling *all* mechanical things along toward greater achievement...And then at Christmas-tide, when the spirit of the Day envelopes the world and glad tidings speed through the land, the same anti-friction bearings help swing the giant bells that send their sonorous voices out over a great city singing, "Merry Christmas".

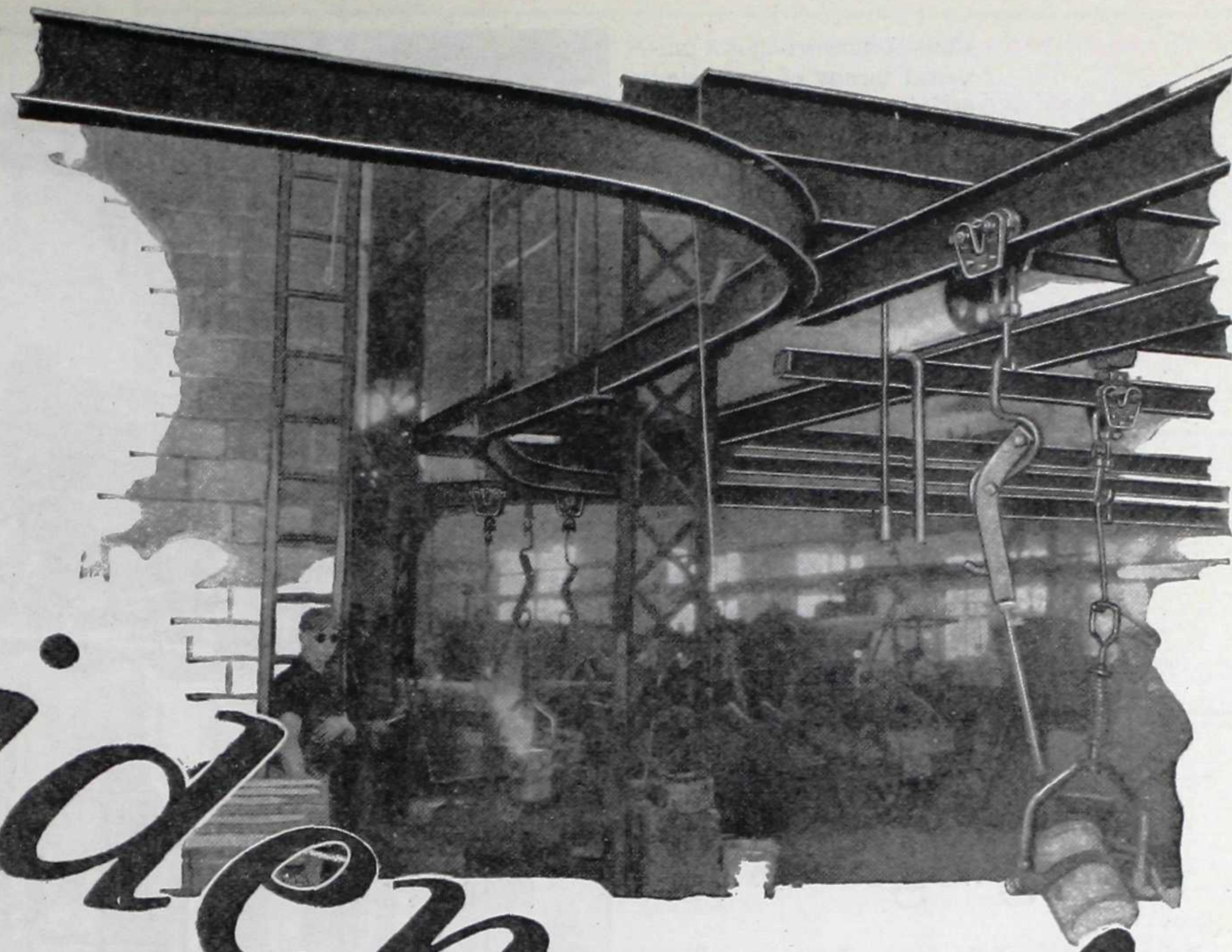
SKF INDUSTRIES, Inc., 40 East 34th Street, New York City

*Nothing is apt to cost  
so much as a bearing  
that cost so little.*

# SKF

THE HIGHEST PRICED BEARING IN THE WORLD





# Evidence!



What Sparta has accomplished can be duplicated in practically all lines of industry—whatever the conveying problem. Ask our engineers to prove it to you!



Sparta Foundry Co., Sparta, Mich., reports through T. E. McFall, Superintendent:

"This plant specializes in high-grade piston rings, individually cast from the purest gray iron for motor car manufacturers.

"In 1927, the foundry, cleaning room, and inspection room were equipped throughout with Richards-Wilcox Over-Way Systems and Cranes. Over 2,000 feet of steel-beam track, and four craneways with Richards-Wilcox Cranes, reach all parts of the foundry floor.

"The Over-Way System enables us to pour 4,500 molds (48 rings to a mold) per day, pouring about 35 tons of iron with 12 men in a four-hour period. This is almost three tons to a man. Formerly 32 men were required to pour 30 tons a day—not quite one ton to a man. The system, by increasing individual production 200%, saves 20 men, while pouring 16% more iron than before at less than one-third the cost.

"Formerly molders did their own pouring; now it is done by helpers, who afterward shake out the castings and clean up the foundry. Castings are conveyed to the cleaning room and then to the inspection room in steel drums, suspended from R-W Trolleys. One man can push four loaded drums—over two tons—along the monorail with one hand. The R-W System has cut the cost of labor in cleaning and shake-out about 25%.

"Neither cranes, track, trolleys, nor switches have given any mechanical trouble. The only maintenance required is weekly oiling."

## Richards-Wilcox Mfg. Co.

"A Hanger for any Door that Slides."

New York • • • AURORA, ILLINOIS, U.S.A. • • • Chicago  
 Boston Philadelphia Cleveland Cincinnati Indianapolis St. Louis New Orleans Des Moines  
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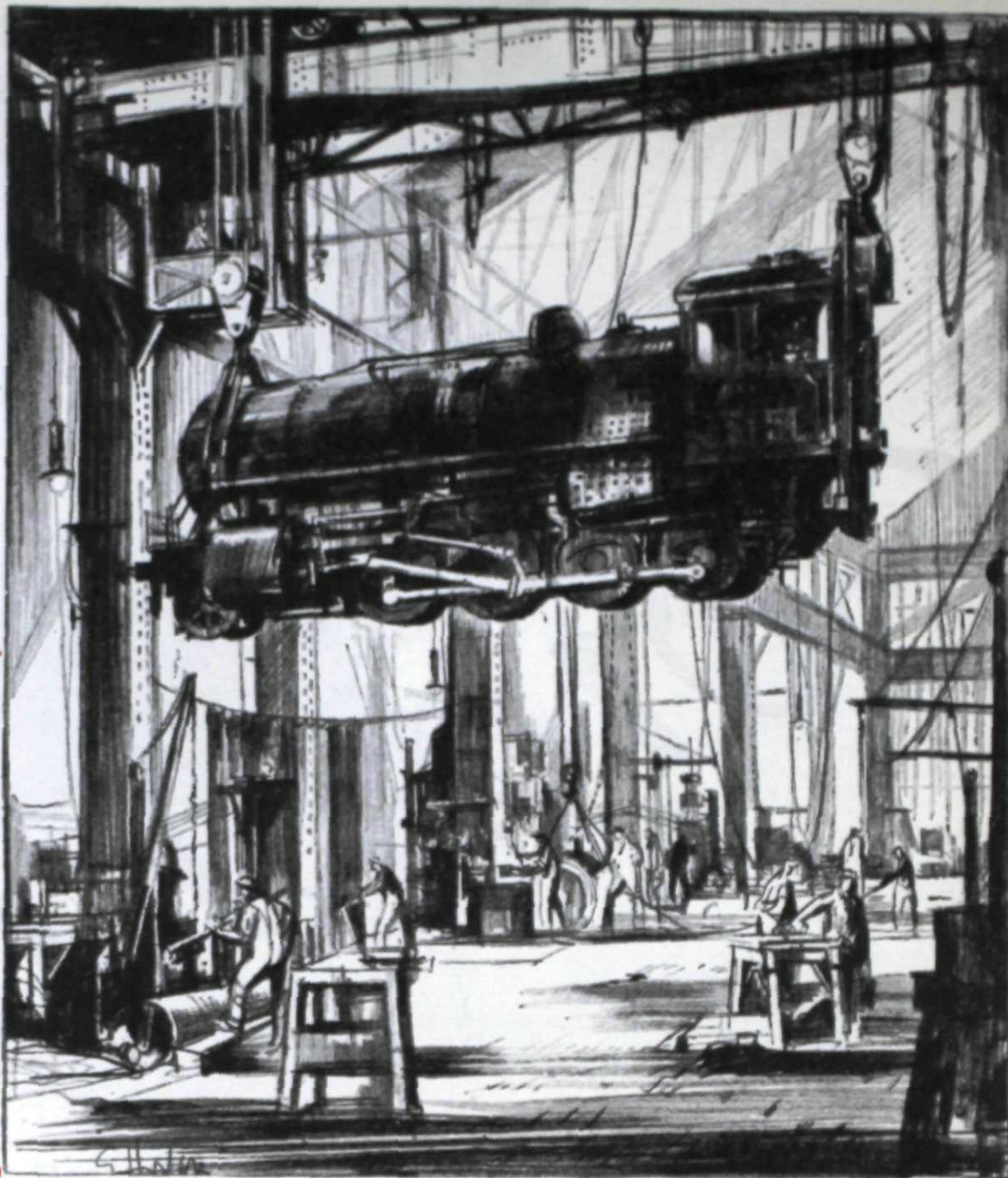
Correct lubrication is a universal means of increasing efficiency and producing other operating economies, no matter what product you manufacture.

*Building a Locomotive — One of a series of industrial drawings by Earl Horter*

### Eight plants reduced

- maintenance costs 41%
- fuel consumption 13.7%
- oil costs 25%

## Big figures that tell only part of the story



The above figures are taken from Vacuum Oil Company reports from a large cotton ginner who changed to Gargoyle lubrication. These economies paid the annual oil bill many times over.

But the sum total of all the benefits to be derived from correct lubrication in any plant is many times the mere cost of oil.

Correct oils, correctly applied, mean dollars-and-cents savings on many items of manufacturing costs; also lengthening of machine life. An increase in production efficiency is another result.

### Invite your Maintenance Engineer to look into this

The field of manufacturing has become so complex that specialized knowledge is necessary in many phases of plant operation. Lubrication is one of the most important.

Vacuum Oil Company engineers are lubrication specialists. From our 62 years' experience in reducing friction, we have built up a vast store of specific information about the lubrication of machinery, which general manufacturing experts cannot be expected to know.

We would like to lay this specific information before your engineers. We will send a trained man into your plant. He will make an audit of each piece of equipment and submit a report to your men covering our recommendations for correct lubrication.

We believe a memorandum to your engineers asking them to look into this feature of Vacuum Oil Company service will be more than worth the effort.

A letter to our New York office or any of our branch offices will bring an experienced representative promptly.

# Vacuum Oil Company

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### Lubricating Oils

The world's quality oils for  
plant lubrication



## This Month and Next

**N**O QUESTION is more asked at meetings of the editors of this magazine than this:

"Well, who knows most about it?"

It's a question that seldom or never gets a definite answer, yet it is typical of the way in which this magazine is edited.

"There's a charge that the chain store does not shoulder its share of the burden of the communities in which it dwells. NATION'S BUSINESS ought to look into it." That comes from a visitor or a letter to the editor or from one of the staff of the United States Chamber or from any one of the dozen sources where the magazine's ideas do originate.



M. A. Linton

And someone asks again:

"Well, who knows most about it?"

It was that sort of suggestion and that sort of question asked in turn of other life insurance men which led us to ask M. A. Linton of the Provident Mutual Life Insurance Company to write about the investment factor in life insurance premiums (page 29).



James D. Mooney

Mr. Linton would be the first to disclaim that he "knows most" about that subject, but he does know.

So, too, would Joseph R. Kraus, executive vice-president of the Union Trust Company, deny that he knew more than many another man about banker control (page 15), but he *does* know and knows through experience.

So, too, in our list of "men who know"—and NATION'S BUSINESS is a magazine about business written by men who know for men who want to know—is James D. Mooney, president of General Motors Export Corporation, who writes of the American motor car's peaceful invasion of foreign lands in an article on page 21.

Add another banker to those "who know"—Fred W. Shibley, vice-president of the Banker's Trust Company, who has had long experience with the problems of the manufacturer.

His article, called "Will Your Goods Be Bought?" (page 17) is a fresh approach to the problems brought about by mass production and "overproduction." Morris

VOLUME SIXTEEN

NUMBER THIRTEEN

## NATION'S BUSINESS

Published Monthly by the Chamber of Commerce of the United States, Washington, D. C.

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As the official magazine of the National Chamber this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers.

SUBSCRIPTION RATES: Three years, \$7.50; one year \$3.00. General Office—Washington, D. C.





## Quick Action Saved the Order

FROM catalogue description a Bombay amusement park placed an order with a Pennsylvania manufacturer for four pieces of equipment, stipulating a time limit on delivery and that the order be inspected and approved by an engineer selected by his bank's correspondent, the American Exchange Irving Trust Company.

One Saturday, about noon, the manufacturer telegraphed the American Exchange Irving that the equipment must be boxed and shipped the following Tuesday to make the only steamer reaching Bombay within the time limit. Immediate inspection was vital or the sale would be lost.

At once this Company sought the assistance of the president of a well known scenic railway company. He was out of town and could not be reached until Sunday morning. He communicated with his engineer then far out on Long Island, who met one of the Bank's officers Sunday afternoon, received his instructions and caught a west bound train which brought him to the factory Monday morning. There he inspected and approved the equipment in time for it to be shipped and delivered at seaboard before the ship sailed.

Prompt action by the American Exchange Irving in the interests of its customer saved the order.

## AMERICAN EXCHANGE IRVING TRUST COMPANY

Out-of-Town Office—Woolworth Building

*New York*

Edwards, of the staff of the Finance Department of the United States Chamber of Commerce, whose knowledge of the many angles of the tax question is being demonstrated in his contributions to NATION'S BUSINESS, this month writes on "Make Your Tax Dollar Pay You a Full Dollar's Worth" (page 46).



Fred W. Shibley

Whiting Williams, who knows what Russian and Italian laboring men are thinking about through first-hand contacts with them, writes his second article for readers of NATION'S BUSINESS (page 26), this one touching on the roles of America and of American business men in the future of those two countries.

John Hays Hammond writes an appreciation of modern times from the standpoint of one who knows what "the good old days" were like in the dozen of climes to which his footsteps have led him. His article (page 35) is one that has an appeal for both our older and younger readers.

Shirley D. Mayers presents some nice problems to business men who are interested in eliminating unfair and dishonest methods of competition from their particular fields. His article (page 52) is both thought-provoking and challenging.

Elmer Stevens, Chicago department store executive, has some interesting things to tell business men of other cities and towns concerning the effect of congested traffic on their businesses—and also what they, the businessmen, can do to remedy matters (page 41). Mr. Stevens knows, for he was chairman of a committee of Chicago business men that helped solve Chicago's traffic problems.



Whiting Williams

Naturally, NATION'S BUSINESS has some forward-looking offerings with which to greet the new year. In the January number there will be a timely article by James E. Boyle, professor of rural economy at Cornell, on "Cooperation and Farm Relief." Walton L. Crocker, president of the John Hancock Mutual Life Insurance Company, writes on the future relations of life insurance and aviation. An exceedingly frank article by a manufacturer, C. D. Garretson, head of the Electric Hose and Rubber Company, questions the wholesalers' future. Other contributors will be E. J. Kulas, prominent steel man; Charles F. Kettering, research expert; and other business leaders.



Morris Edwards



James E. Boyle



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*Wearing Apparel*

*Furniture*

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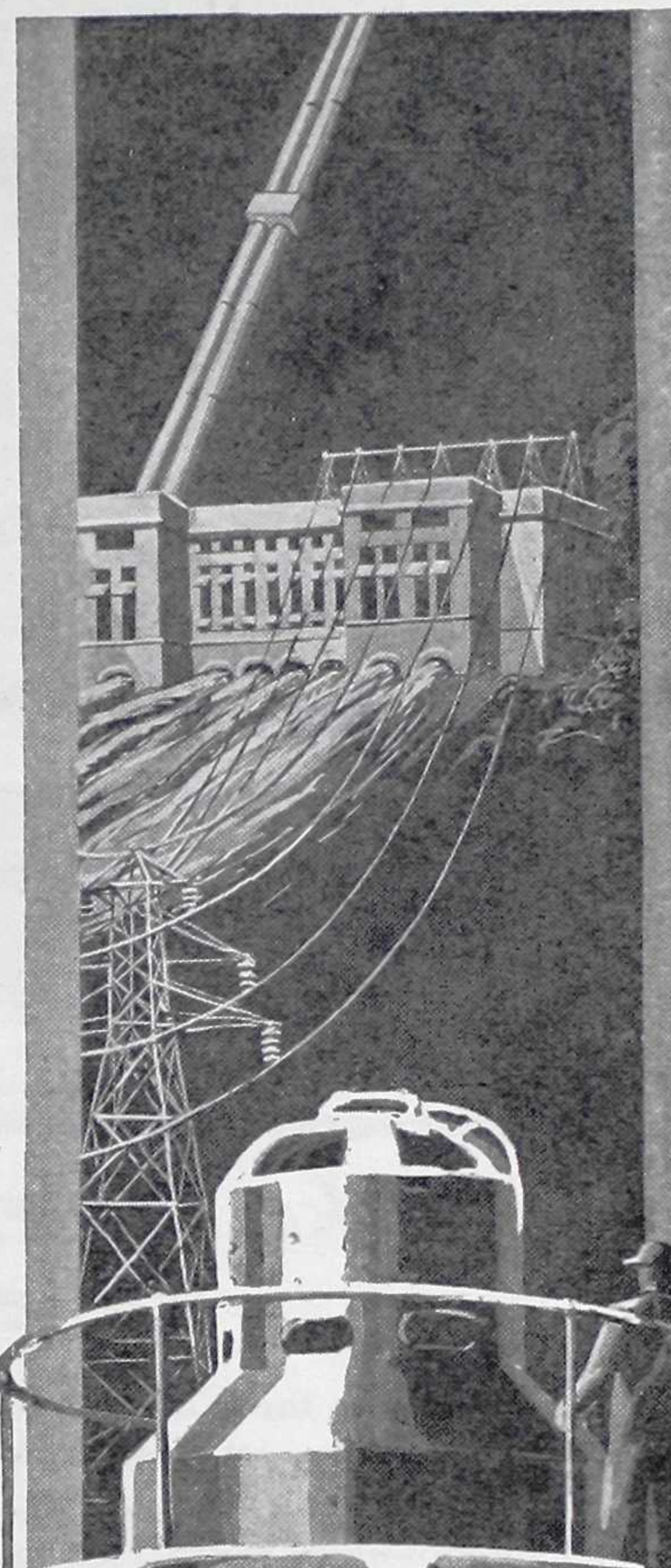
City of Los Angeles

Los Angeles offers these advantages to industry:—Mild Climate—Good Factory Sites—Low Building Costs Efficient, Contented Labor—Largest Concentrated Market on Pacific Coast—Excellent Distribution by Rail and Water—Cheap, Varied Raw Materials (domestic and foreign)—Strategic Location for Export—AND LOW POWER COSTS.



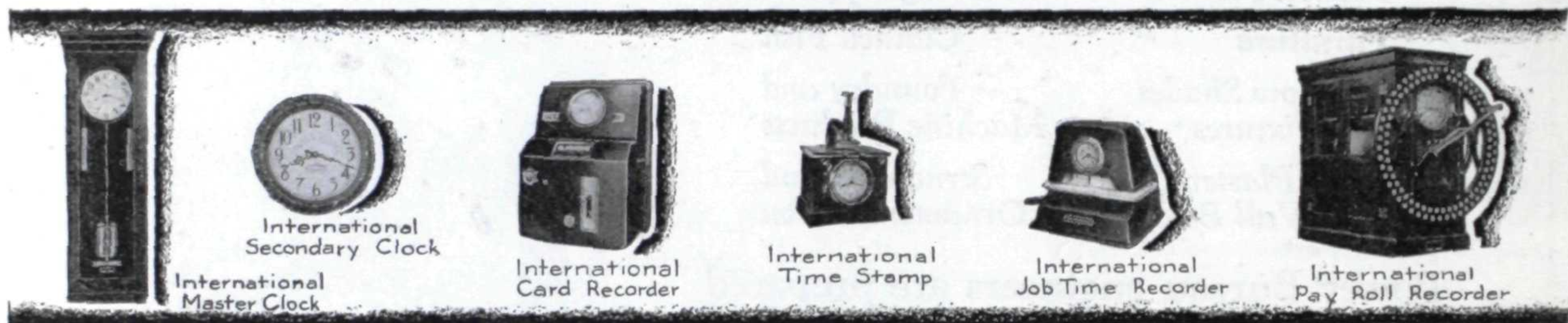
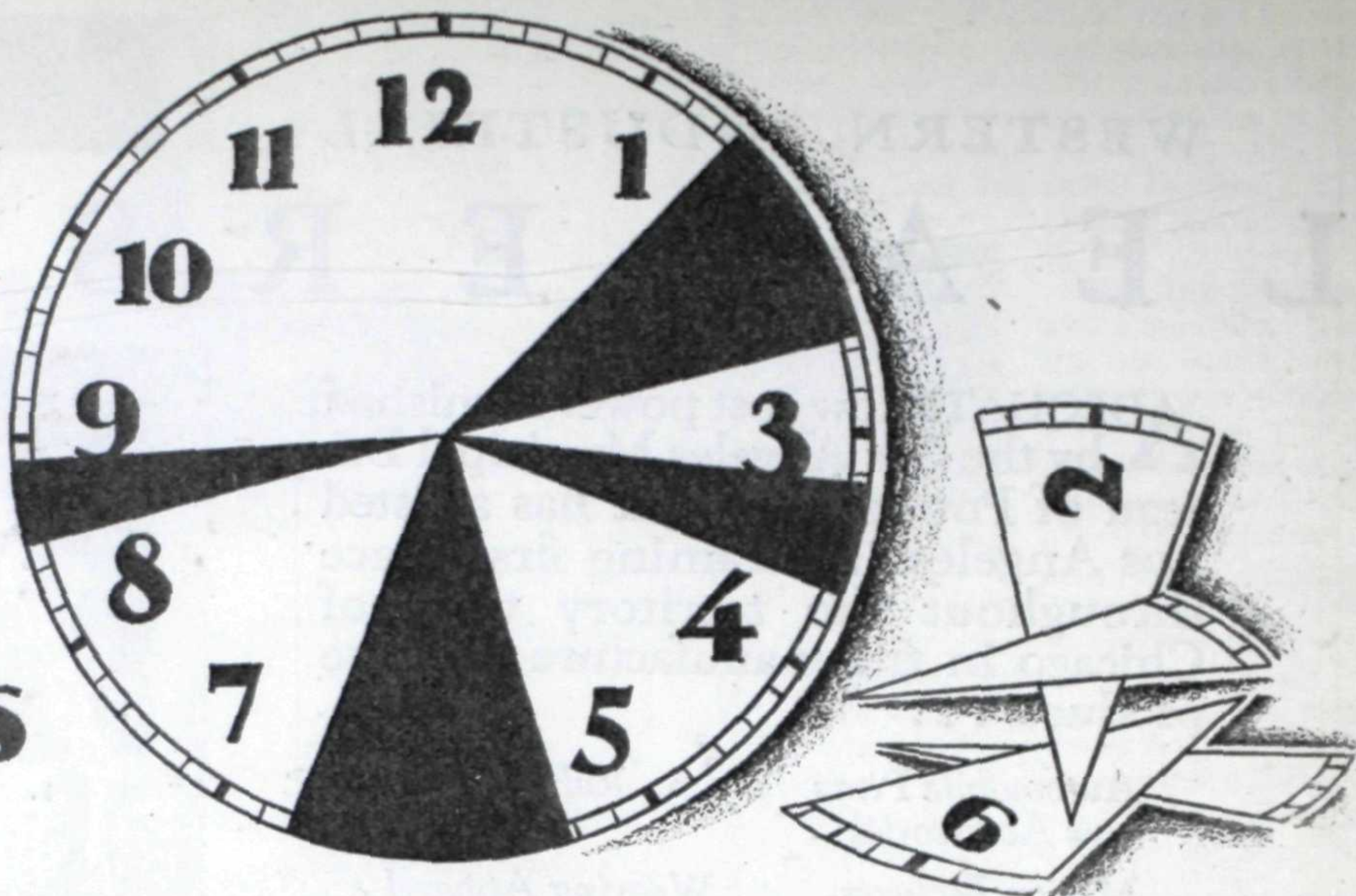
**INDUSTRIAL**

**LOS ANGELES**





# Time Out Yields No Profits



## *Make the minutes you pay for earn their share of gain*

**V**ALUABLE are those little segments taken from the working day by tardiness, by slow workers, by disputes and adjustments arising from faulty records, by manual methods of recording time and computing its worth. Valuable—and yet a complete loss.

Such unproductive time is a serious flaw in the operation of any business. The wonder is that it exists at all today.

For forty years International time recording devices have been guarding minutes and making them yield their proportionate share of gain. They stand for accuracy and profit. Their fame has swept around the world.

Wherever people are employed or time records are kept, an International can be used with financial benefit.

Write or telephone for a study of your requirements; one of our representatives will be glad to make it and render a solution. No obligation, of course.

*See that the minutes count, for the difference  
between productive time and non-productive  
time is the difference between profit and loss.*

### *International Time Recording, Indicating and Signaling Devices*

Attendance Time Recorders  
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## Sportsmanship of Business

**I** THOUGHT I had played a good joke on a certain captain of industry. I recommended strongly that he see a certain play. This play was a broad burlesque, unmercifully lampooning the American business man, but I did not tell him so. When next I saw him I asked him how he enjoyed it. "Fine," he replied, "it was great fun."

Mr. Kipling, describing the American Spirit, once said of the American that his "humor saved him whole." He must have had in mind the American business man.

Foreign critics tell our business man that his life is unbeautiful, unsocial, barbarously competitive, and crudely neglectful of the civilizing amenities. Business pauses in its tasks, furrows its eye-brows, smiles, and resumes.

Domestic wits and half-wits have found publicity and profits in mocking our Main Street whose denizens are provincial dullards, morally bankrupt, culturally deficient. "The Butter-and-Egg Man" pays the bill and laughs. He understands the license of the comic muse. He chuckles in generous indulgence, good sport that he is. He plays the game. He has learned to give and take—the essence of sportsmanship.

Daily experience touching business at a hundred points draws one inevitably to the conclusion that the general rule of business is fair play, a regard for the rights of competitors—and of customers—in short, "a decent respect to the opinions of mankind."

Being a "good sport" is not a matter of

definition, nor formula. It is a spontaneous quality that rises to opportunity and to emergency. Its greatest inspirations come from disaster and disadvantage.

A greater Chicago, a greater Baltimore and a greater San Francisco rose from smouldering ruins because the faith of their business men triumphed under fire. The courage of business that stood fast before the roaring Mississippi threat is its own encomium of true sportsmanship. It gives emphasis to the laconic loyalty placarded years ago above the flood wreckage on a bank in Hamilton, Ohio:

*"Noah was 600 years old before he learned to build an ark. Don't lose your grip!"*

In that Spartan admonition is the intangible thing which Kipling called the American Spirit.

Individual instances of this spirit are commonplaces of our business life. Every community can offer testimonials to extension of financial grace, the loan of plant to a competitor in trouble, the ready relief of want and misery, the promotion of the talents and ambitions of others, the help given to a beaten adversary, the payment of debts that are neither moral nor legal obligations.

The humor and sportsmanship in American business assure of standards better than anything Congress could enact or the Department of Justice enforce.

*Mere Thorne*



# Building, Too, Must Progress

THE world moves forward—transportation, commerce, industry. Your business moves forward or it gets left behind, hopelessly.

Austin Engineers are looking ahead, designing and building with a view to tomorrow's needs, for old industries that are progressive as well as for the new ones which have no traditions to hold them back.

In this day of rapid obsolescence, it will pay you to consult an organization which is helping its clients to anticipate the future and to keep ahead of the times.

*For preliminary consultation, layouts, approximate costs and other valuable information on any type or size of building project, phone the nearest Austin office, write or mail the Memo below.*

## THE AUSTIN COMPANY, Engineers and Builders CLEVELAND

New York Chicago Philadelphia Detroit Cincinnati Pittsburgh St. Louis Seattle  
Portland The Austin Company of California: Los Angeles and San Francisco  
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An Air-Rail-Water-Highway Terminal of Austin Design.

# AUSTIN

Memo to THE AUSTIN COMPANY, Cleveland—

We are interested in a

project containing.....sq. ft. Send me a personal copy of

☐ "The Austin Book of Buildings." Individual.....

☐ "Airports and Aviation Buildings." Individual.....

Firm.....

City.....

NB 12-28

When writing to THE AUSTIN COMPANY please mention Nation's Business





# NATION'S BUSINESS



*Published at Washington by the Chamber of Commerce of the United States*

MERLE THORPE, Editor

## As the Business World Wags

THUS WE MAY SEE, QUOTH HE,  
HOW THE WORLD WAGS—*As You Like It.*

### Elections, American Style



ONCE men said:  
"Well, the election's over.  
Let's get back to work."

Now men say:

"Well, election's over and as far

as I can see, business hasn't been touched."

Yet 36,000,000 men and women went to the polls and voted at an election in which economic questions loomed large, voted peacefully and decisively; chose with a minimum of acrimony a new leader and—went on working.

The more than fourteen million of us who voted for Governor Smith may feel that the more than twenty-one million of us who voted for Secretary Hoover were sadly misguided, but not one of us all is ready to consign the country to ruin and perdition.

It was this calmness with which Americans met, talked politics and voted that moved William Bolitho, the distinguished English journalist, to write in the *New York World*:

I was inclined to think it reasonable that an election must be something like hell over here, let alone a Presidential election for the world's most powerful ruler.

But there is more nastiness in a municipal ballot in Europe than in all this affair. I went to Gov. Smith's final meeting and there was not even a heckler. Even in old England they would be ashamed not to have fought for an hour or so, and in France or Germany, unless the city ambulances were full on a night like that, there would be articles in the heavy reviews deploring the growing lack of political sense of the people. Here not an ill-mannered opposition button in a coat lapel.

It is stranger still to read the speeches, and the climax is the newspaper editorial. It is all as polite as a company meeting, met to declare a stock bonus. Not an angry word, hardly an unkind one.

A new proof of the ability of the American people to govern themselves; proof too, we hope that we are growing politically and economically wiser.:

When the election returns were first pouring in there was a general agreement that our men and women had turned out to vote in an unprecedented way. Here are some figures:

Year	Population	Vote
1920.....	106,000,000	26,000,000
1924.....	112,000,000	29,000,000
1928.....	120,000,000	36,000,000

A six million jump in population between '20 and '24 jumped the vote 3,000,000. An eight million increase

in the succeeding four years jumped the vote 7,000,000. So that there seems to have been a real increase in the number of aroused voters. Each year a million or so young women reach voting age and these newcomers are as used to voting as are their brothers.

But don't forget that there are probably some 61,000,000 men and women eligible to vote. Even if we are getting out some 60 per cent there is still plenty of work for the "Get Out the Voters."

### Mr. Hoover and the I. C. C.



THE established importance of the Supreme Court provides its own explanation for the public interest in the appointments that will come to Mr. Hoover's decision. But the national significance of some other replacements he will be called upon to make is not so clear. The expiration of the terms of seven of the members of the Interstate Commerce Commission will provide the opportunity for the President to give an almost personal interpretation to the powers of the Commission.

It has been plain enough that the present Commission has had difficulty in agreeing upon important questions of policy, such as consolidation and valuation. There also has been a question as to whether or not the Commission has exceeded the powers delegated to it by Congress. That there is a wide divergence of political mandate from economic principle was vigorously indicated by Daniel Willard, president of the Baltimore and Ohio Railroad Company, in an address to the members of the Indianapolis Traffic Club. As Mr. Willard pointed out,

The Hoch-Smith resolution is another instance of political action concerning an economic problem. Under the influence of the last-mentioned resolution, the carriers' revenues have already been substantially reduced, although they were not then and are not now earning as much as the Interstate Commerce Commission itself, acting under instructions contained in the Transportation Act, has said would be fair and in the public interest.

### Business for the President-Elect



THE political side—the goodwill side—of President-Elect Hoover's projected visit to South America far overshadows in interest or in importance the commercial side of the trip, but as a business magazine read by some 300,000 business men, we stopped to see what sort of customers the President-to-be would visit. Here they



are: Colombia, Ecuador, Bolivia, Peru, Chile, Argentina, Uruguay, Brazil and Venezuela.

And here's what we sold to them during the first half of 1928:

Argentina .....	\$80,000,000
Brazil .....	46,000,000
Colombia .....	27,000,000
Chile .....	17,000,000
Venezuela .....	15,000,000
Peru .....	11,000,000
Ecuador .....	3,000,000
Total .....	\$199,000,000

And here's what we bought from them in the first six months of this year:

Argentina .....	\$57,000,000
Brazil .....	110,000,000
Colombia .....	54,000,000
Chile .....	39,000,000
Venezuela .....	19,000,000
Peru .....	9,000,000
Ecuador .....	3,000,000
Total .....	\$291,000,000

So we bought in the half year \$100,000,000 more than we sold. Coffee from Brazil and oil from Colombia and Venezuela, nitrates from Chile help to explain that difference.

At least taking the figures for 1926 from the Statesman's Year Book we already sell to each of these countries more goods than any other nation and (this time the figures are from "Our World Trade" issued by the United States Chamber) our sales for the first half of 1928, show increases to Argentina, Colombia, Chile and Ecuador.

### Getting Out a Chamber Vote



cent referendum on agriculture.

Because the paper wanted the referendum adopted it gave its readers this advice.

"Nearly every city in the Northwest has some civic or business body connected with the United States Chamber of Commerce, so we suggest farmers getting together and letting these organizations know that they expect a 'yes' vote on every one of the questions, but particularly on number four."

Proper and sound advice from a farm publication to its readers. The referenda of the United States Chamber carry great weight. They are the considered expressions of American business on subjects of National importance. The more discussion, the more debate, the more thought that is given to them by member organizations, the better for the Chamber.

### Opposing More Boards



gram on agriculture. Elsewhere in this issue we print in full these recommendations with an explanation by

**F**ARM STOCK AND HOME, widely read Minnesota agricultural paper, had a word to say recently to its farmer readers about the United States Chamber's re-

cent referendum on agriculture.

President Butterworth and comment by Henry Wallace, editor of *Wallace's Farmer*, but it is worth reprinting briefly the seven recommendations:

I. Strict coordination of land, reclamation, and reforestation policies of the federal government.

II. Postponement of further reclamation projects until demonstration of need for the additional production.

III. That the National Chamber expressly declare that its advocacy of reasonable protection for American industries subject to destructive competition from abroad and of benefit to any considerable part of the country is applicable to agriculture.

IV. That cooperative marketing of agricultural products should be supported and that producers of agricultural commodities should be encouraged to form cooperative marketing associations along sound economic lines.

V. That agricultural credit requirements be met through full development and adaptation of existing facilities.

VI. Creation of a federal farm board, to report its recommendations to Congress.

VII. Adequate federal appropriations for economic and scientific agricultural research by the Department of Agriculture.

It was the second of these recommendations that stirred the most outward resentment. There was misunderstanding of the Agricultural Committee's recommendation on reclamation. Dwight B. Heard, chairman of the committee, felt it necessary to make this explanation:

The recommendation does not discourage the plan for any reclamation project but proposes only that production of farm products from additional areas made available at public expense be deferred until such production meets the test of economic necessity. This should clear up a misunderstanding which has disturbed certain of our organization members.

But—and here is not the least interesting thing about the referendum—the strongest opposition was not to the reclamation recommendation where 387 votes were cast in opposition and 2,550 in favor, but to Number VI for a Federal Farm Board where 2,322 votes were cast in favor and 577 against, the smallest favoring and the largest opposing vote.

Why should the creation of a Federal Farm Board arouse more opposition than any other of the seven recommendations? Moreover the opposition was not sectional like the opposition to the reclamation proposal, but widespread. Again, why?

Perhaps it's a feeling on the part of business that we have already too many federal boards, bureaus and commissions.

### Sunshine a Raw Material



**T**HE South," said the distinguished scientist who dropped into the editorial office for a talk the other day, "has one great raw material whose importance she is just beginning to appreciate."

"What is that," asked the editor, "cotton?"

"No, sunshine," was the scientist's reply.

He went on to explain. "This is getting, like it or not, to be a synthetic world, particularly in the synthesis of materials whose foundation is cellulose. We shall want cellulose in constantly increasing quantities, and what do we need for cellulose? Quickened vegetable growth, and there's nothing more needful than sunshine. If wood grows faster in the South that's going to be a factor in the future. Sunshine is a valuable raw material."

"Well," said the editor, "what about the Southwest? They've got plenty of sunshine."

"Of course," said the scientist, "and they sell a lot of it, some of it in citrus fruits, for example. But, you see, they're also selling it not merely as a raw material but



as a fabricated product ready for immediate delivery to the consumer. For proof I refer you to the California resort advertising."

### *The Good of Getting Together*



**T**HE Cottonseed Oil Mills Industry held a trade practice conference last summer at Memphis at which 95 per cent of the industry's output was represented.

Out of the conference came one new thing which the Federal Trade Commission has announced:

It is to be noted that Rule 5 of Group I approved by the Commission which provides:

That the clandestine violation of any of said resolutions, those accepted by the Federal Trade Commission merely as expressions of the industry as well as those approved by said Commission, shall be deemed unfair methods of competition.

is an innovation in that no similar rule has been included in any previous trade practice conference.

In this, two commissioners, Messrs. Humphrey and Ferguson, did not concur, "being of the opinion it was beyond the power of the Commission."

This "innovation" has yet to be tested, both as to the powers of the Commission so to deal with infractions of an industry's own rules, and as to the effectiveness of the method if it be held to be within the Commission's power.

There has been much talk about "putting teeth" into the Trade Commission's rulings, about creating "a new law merchant" on industry's own initiative.

It goes without saying that the action of the majority of the Commission will be watched with interest. But it should not be forgotten that the trade practice conferences, whether or not their rulings be binding with the force of law, have within the industries holding them a fine moral effect.

There is something in the very fact of getting together for a good purpose under the aegis of the Federal Government that seems to give force to the rules agreed upon at these conferences.

### *The Why of the Traffic Bureau*



**I**T IS A fair question that the Atlantic Coast Line raises in asking why railroads should support chambers of commerce with traffic bureaus which seek to reduce freight

rates, and to assist their members in presenting claims against the railroads. These bureaus, to quote from the Coast Line's statement of its case,

are usually paid, in whole or in part, from funds derived from the dues paid by members of the organization. The result is to make the railroads who are members contribute directly to the support of an effort to reduce their revenues.

The possibility that the community itself may be injured by the activities of a traffic bureau occurs to the company, and it defines its position in this paragraph,

The ability of the Atlantic Coast Line to furnish steady employment at fair rates of pay is directly affected by its income. Any appreciable decrease in its income is bound to be reflected in the number of its employees, and consequently in the spending

power of the population at points where an appreciable number of such employees live.

And as for proposals to contribute public funds to the support of traffic bureaus,

they contemplate taxing the Atlantic Coast Line and its employees to maintain agencies designed to reduce the revenue of the railroad and consequently to decrease its ability to furnish employment.

Perhaps it is only fancy, but a note of bitterness seems to color the conclusion that

Apparently there is no recognition of the injustice of such a proposal, and no understanding of the fact that the success of such efforts would reduce the number of railroad employees and adversely affect business conditions.

But does the situation here defined really bear out its seeming collision of viewpoints?

We do not like to think so. We believe that every membership in a chamber of commerce derives its full proportional share of all the benefits enjoyed in the achievement of a common purpose. It is unthinkable that in this sort of cooperative fellowship there would not be occasions when individual interest could find itself at some variance with the group interest. But the very emphasis placed upon the divergence of the Coast Line's view of itself argues its preponderant approval of chamber objectives and accomplishments in behalf

of the largest community interest.

### *Science that Really Counts*



**T**O THOSE speech makers at American business conventions who have pointed to the telephone, to the automobile, to the radio, to the airplane as factors in human life, we commend a careful study of the recent work which has been done in the Black Hills where, says Dr. Robert A. Millikan, physicist of the California Institute of Technology, measurements have been made of the amount of lead in the Black Hills uraninite. From that and similar experiments, Professor Millikan says, has come the knowledge "that this world already has had a life time of at least a billion years and that man has, in all probability, another billion years ahead of him."

And that, thinks Professor Millikan, will have in the long run much greater influence on human conduct than any invasion of recent years.

### *Blocking the Drug Chains*



**T**HE growth of chain-store merchandising is so generally a factor in modern distribution that it needs no emphasis for the attention of the consumer. It is to the legislative regard for this expansion that a larger public interest is directed. Certainly there is significance in the refusal of the Pennsylvania Board of Pharmacy to authorize a group of associated drug stores to expand their chain in that state. The Board's ruling was based on an act of 1927 which forbade any one not a licensed pharmacist to open a drug store there, or to own stock in a corporation owning a drug store. So far as the

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**ECONOMICS  
IN ONE STANZA**

**The crying task for every human race  
Is so to plan their children's earthly way  
That opportunity and work and play  
Are as the air of heaven, a commonplace  
Granted by right of birth and not  
by act of grace.**

From "GOODWILL"  
By Eden Phillpotts

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compounding of prescriptions is affected, the statute seems desirably sound. But the apparent reliance upon the comprehensiveness of the state's police power raises important questions. The fact that the stores involved in the Board's ruling have carried the issue to the Supreme Court promises useful enlightenment, for the Court's decision would seem to rest primarily on the range of the state's police power, and whether Pennsylvania's act properly exercises that power.

The appellant contends that the statute adversely affects property rights. That is an enduring solicitude that comes home to every citizen in or out of business, and there is no lack of reason for wondering at the possibilities signified in a state's efforts to control a form of trading by no means limited to drug stores.

### Management and Capital One



ONCE it was common to divide industry into two sections—"capital" and "labor"—and it was a widely held belief that the two were necessarily inimical. Then there came a recognition of a third factor and writers on business discussed "capital," "management," and "labor."

It was never possible completely to separate any one of the three from the other two. New plans of stock ownership have made both labor and management capitalists and from time to time tasks of management have been turned over to labor.

The recently announced plans for reorganizing the Graybar Electric Company seem a move to make capital, management and labor one. The entire voting common stock of the company is to be owned by the Graybar Management Company, which in turn will be owned by the company's employees.

Graybar is not a manufacturing but a distributing company devoted solely to selling electrical supplies, so that in one common definition of the word it does not employ "labor," although any salesman will tell you that there is plenty of hard work in selling and those workers in the field of distribution will have the burden of both ownership and management.

The extent to which the new Graybar company is under the management of its employees is shown by the list of directors. Of the nine, five are the managers of the geographical districts of the company.

This new ownership and control of a company doing \$75,000,000 of business a year is a move that will be watched with interest by general business.

### For Sale! Time!



ITEMS gathered from casual reading of newspapers for half a dozen days:

Bell Telephone Laboratories has a new deep-sea long distance telephone cable that will make talking to London still easier and more dependable than now.

Mail from New York for France by steamer is carried in from the ship by a plane for the last leg of the journey and letters that left New York on Saturday were delivered in Paris Thursday night.

Buses run under one management from Los Angeles to New York. Time 5 days and 14 hours.

Travelers leave New York at 6 p. m. are shifted to airplane at Cleveland and are in Chicago at 8:45 the next morning.

A tunnel that cost 16 million dollars cuts off 27 miles of the Great Northern's Route and time between Min-

neapolis and St. Paul and the Pacific Coast is reduced one and one-half hours.

A handful of items but enough to show that the world never stops its fight for more time.

"Time for sale" is the cry of the railroad, the airplane, the telephone and all the other instrumentalities that are bringing mankind together. And there is no commodity more salable than time.

### Vision and Television



"I REGRET that the Commission has admitted television to the broadcasting band. . . . The American public have for several years been entertained by broadcast program of speech and music. Why give them a whistle or blur a part of the time in which they have received so long something intelligible and entertaining?"

This from the chairman of the Federal Radio Commission dissenting from an opinion of his four colleagues that visual broadcasting should be allowed to encourage an infant art.

Oh man of vision! Less than a hundred years ago, eminent engineers saw nothing practical in the railroad and one of them declared:

"The noise of the railways would stop hens from laying and prevent cattle from grazing; the poisoned smoke from locomotives would kill the song-birds and game, and that all houses anywhere near the railways would be set on fire by the engines."

The Radio Commission Chairman who sees in television only the present "whistle and blur" might remember Charles Carroll of Carrollton then the last surviving signer of the Declaration of Independence who made a speech when ground was broken for the Baltimore and Ohio Railroad in 1828 and said:

"I consider this among the most important acts of my life, second only to that of signing the Declaration of Independence, if second even to that."

### A Tax in Terms of Tons



THE railroads groan under their burden of taxation but then so do many other branches of industry and individuals. But we are indebted to J. M. Davis of the Delaware, Lackawanna and Western Railroad for a new and cumulative way of expressing that railroad tax bill. Talking to the business men of Elmira the other day:

You no doubt will be somewhat dumfounded to learn that the total taxes paid by the Lackawanna for 1927 aggregated \$7,457,093.11. That is a very large tax bill. It represents, if you please, an increase of 91 per cent over the figures for 1918, or ten years ago, and was equivalent to 8.8 cents per dollar of gross revenue.

Stated another way, this was equal to 30.4 per cent of every dollar of gross revenue, after operating expenses were deducted. To be more specific and reduce this to a tangible business basis, the amount required to pay the road's assessed taxes for that one year, 1927, was equivalent to the average gross collections received for the movement of 3,398,238 tons of freight.

The extent to which this railroad, and most all others, for that matter, supports the school systems—through the taxes they pay, does not seem to be generally realized. Neither does the fact that the railroads are subject to the tax assessing power of not only the federal and the state governments, but also to that of the villages, boroughs, towns, cities, townships and counties.

The attitude of some of these taxing authorities towards railroads is well illustrated in a case which came to my attention some time ago, where, when a certain railroad sought permission to abandon a number of miles of track which were no longer essential, objection was raised by local authorities. In the final analysis it was found that the sole basis for the objection was because of the fact that if the track was removed they would lose its taxable value.





# "Banker Control"—a Myth

By JOSEPH R. KRAUS

*Vice President and Executive Manager, The Union Trust Co., Cleveland*

Decorations by Wilfred Jones

**A** COMMENT frequently heard about banks is that they dominate business.

When an enterprise fails it is not unusual for some one to whisper that the banks "stepped in and starved it to death" in order to acquire the assets. Friends of the head of a bankrupt firm are likely to shake their heads gloomily and say:

"Oh well, the poor devil is in the hands of the bankers. When they get through with him there won't be much left."

Like a good many popular generalizations, these ideas about banks will not bear careful analysis. Yet a great many people have come to accept as gospel truth entirely false conceptions of banks and banking.

Perhaps the most fruitful source of criticism of banks is the situation arising from their measures to protect their loans.

**DOES** the banker want to dip his fingers into the business dish? What is his attitude toward the struggling enterprise? Mr. Kraus here gives a banker's answer to such questions as these and at the same time explodes some popular beliefs



Out of these measures grows most of the comment that the banks squeeze a business to death in order to get control. As a matter of fact, a bank is really interested in having a company prosperous. That

ought to be obvious. Banks prosper in a community of prosperous commerce. A bank actuated solely by self-interest and having no consideration for public interests still would seek to promote community prosperity.

A bankrupt company is not a pleasant thing for the banker to have upon his hands. It is to avoid having them on his hands that the banker is interested in management. He knows from experience that good management is the most important factor in business success, and that poor management is the most potent factor in business failure.

Bradstreet's compilation of business failures of 1927 places the causes in two classes, those due to the faults of those



failing, and those not due to the faults of those failing. In the first group is found incompetence, inexperience, lack of capital, unwise credits, speculation, neglect of business, personal extravagance, and fraudulent disposition of property. The second group includes specific conditions such as war, disaster, failures of others, and competition.

In 1927, fully 82 per cent of the failures in the country were found to be due to faults of those failing.

Is it any wonder that bankers are interested in the character of the management of the companies to which loans have been extended? Probably no other single factor of risk-taking is as important. In many kinds of business, it represents much more than three-fourths of the banking and investment risk.

### Banks Help If Possible

**I**N cases where the borrower is slow in paying his loan and trouble looms, the bank frequently will try granting additional credit. Compulsory liquidation is a last resort. In the extension of such further credit, the bank may be considering not only protecting its loans already made, but it may also be concerned with the interest of other smaller creditors and stockholders.

In other words, even if a ruthless policy of immediate liquidation might serve the bank's interests best, it naturally does not wish to jeopardize the interest of many others until such becomes the only course. The best-intentioned banker, however, cannot afford to see his security impaired indefinitely.

Some years ago a large manufacturing company in a Middle Western city went to the wall. This company's name had been a household word, but for one reason or another it failed to keep up with competition. A bank had financed the company and had worked hard to avert disaster. Finally liquidation became unavoidable. Although, obviously, it was to the bank's interest to have a prosperous company the former management of the defunct company is still blaming the bank for the failure.

The economic function of a bank is to lubricate with the oil of credit the commercial activities of the community. It is enabled to do this by accepting other people's money on deposit and by lending this money together with its own credit to borrowers at a profit. But it must not allow its zeal to finance a business to permit it to take unjustified chances with other people's money.

Bankers usually get into the management of a company only when the previous management has been unsuccessful, and then only as a temporary measure. If the bank's interest in a failing situation comes first, it follows that representatives of the bank should have a voice in that management until the situation is saved, or until nothing further can be done to protect the creditors' interests.

The farseeing banker is not interested in telling management how to operate its business. He has too many

worries of his own to want the additional responsibility of telling the manager of a woolen mill or of an iron foundry how to run his establishment. Even if the banker had the time he would lack the specialized knowledge.

The banker can make suggestions as to broad policies, especially financial policies. He can take off the hands of management a good deal of the financial detail. His advice in financial matters is often the saving element in a situation.

The banker knows what constitutes a sound financial structure and what represents an unsound structure. The instances are numerous wherein the revamping of financial set-up has brought success in the wake of failure. There are other instances where economy has supplanted waste. It is to the interest of the company, therefore, as well as to that of the bank, if the banker is cautious on the score of management.

I have in mind the instance of an important manufacturing company, which produced a basic commodity and which had assets in excess of \$40,000,000. This firm was caught in the backwash of the depression that followed the war and nearly was thrown upon the rocks. Banking influences "stepped in." The banks had large sums of their depositors' money at stake. They wanted to save the sick institution—not to strangle it.

What was the first step in the effort to effect that salvation? The banks knew that something was wrong with the managerial ability. A new management was selected and given the task of rejuvenating the company. This management was not made up of bankers or their favorites. It was composed of practical men who had demonstrated their competence to run a business.

The results justified the move. Today the company is one of the most successful in its field. Its securities have enjoyed a large increment. Banking influences helped to bring about exactly what they wanted to achieve, the rehabilitation of the company.

### Management and Character Vital

**W**HEN bankers from their close contact with business affairs see what a good management can do against great odds, and what difficulties poor management sometimes gets itself into despite many things in its favor, there is little wonder that the quality and character of management is always a burning question in financial deals.

But frequently problems exist which seriously hinder the success of a company, and which a banker may help solve. The most common of these is an impractical and burdensome financial set-up. Here the experience and counsel of a banker may stand in good stead. Occasionally there are difficulties which are more fundamental.

A few years ago an old established producer in the automotive field found the path growing difficult. The banks had much at stake. It was important that something be done to build up a prosperous company. Banking influences

succeeded in bringing about a merger with another company. Great economies were effected, business increased and profits began to flow in.

The banker is glad enough to keep within his own domain. When managements of companies in which his institution has placed its faith and its money are doing their job well, the banker has nothing to worry about.

It is when the deposits of Bill Jones and John Smith that have been loaned out are jeopardized that the banker has cause for concern.

Some business men have curious ideas regarding the banker's relationship to them. Not long ago the head of a company explained to his banker that he considered a partnership existed between himself and the bank. But he by no means meant that if the business made a 40 per cent profit in the next few months that he expected to divide these profits with the bank.

### Partnership Is Fiction

**N**OT only does the rate of interest of five and one-half or six per cent cover the bank's entire return in the particular transaction, but, applied to all loans, it must cover the inevitable risk which the bank must take. Obviously, therefore, the idea that a partnership, in the full meaning of the term, exists between the bank and the borrower has no practical basis. The bank has no possibility of special gain from a loan and it has no right to take unusual risks with regard to a loan.

The banker's contribution to the management of business is as a specialist in finance. He is an expert in furnishing money and it is that function which he properly fills. Since he helps to raise the money he should know how the company is progressing. He obtains this information chiefly through the financial statement and the earnings reports. His experienced eye scans the figures and, if things are not going well, he is not in ignorance. Early in the development of an unfavorable situation he is able to sound a warning to the management.

In order to be of greatest service to business in this respect, as well as to safeguard their loans, banks regard it as of highest importance that they have full information regarding a company's financial condition. Most up-to-date managements recognize this and cooperate with their banks to the fullest extent by providing them with audited statements periodically. Those managements which would withhold vital information are in the same class with the person who would not allow his physician to check his blood count.

Under the progressing diffusion of ownership of business, the banker represents, more than any other individual, the composite interest of the owner. When the company borrows significant sums the banker has the right to ask for figures, and he is vitally interested in what the figures tell. Thus he performs the concrete service of auditing the cur-

(Continued on page 144)





It's a mighty sick industry, but coal operators who are studying their costs and markets are doing much to relieve the old giant's ailments

# Will Your Goods Be Bought?

By FRED W. SHIBLEY

*Vice President, Bankers Trust Company, New York, N. Y.*

Cartoons by Louis Fancher

**THE WARNING** Mr. Shibley sounds here is a "Stop, Look and Listen" sign on the business highway. Heed it and you will proceed safely, disregard it and cost and competition may run you and your business down

**T**HE capacity of the consumer to purchase is the essential consideration in the forecasting of sales. A producer or merchant would be foolish indeed if he advertised and attempted to sell his wares to people who possessed neither cash nor credit with which to buy. It is elementary common sense, therefore, to state that a knowledge of consumer purchasing capacity must be acquired by any producer or merchant who hopes to operate successfully.

The intelligent farmer who plants an orchard of apple trees, the production of which may reasonably be expected to prove in excess of his personal requirements, looks about him, satisfies himself that a market exists for the surplus fruits and that this market will absorb certain varieties of apples in definite quantities and learns what it will require of him in the way of packing, shipping and inspection.

Bird cages are designed and styled to suit modern conditions of interior decora-

tion. He would be a foolish manufacturer who went ahead and made his cages solely for the convenience and happiness of birds, or as he thought they should be made, before ascertaining what were the consumer requirements in bird cages in material, form, and color.

## You Must Study Markets

**I**T is fundamental, therefore, that markets must be studied and appraised in their relation to the products which it is contemplated to offer for sale before the production schedule is drafted.

In a rich country like the United States it is obvious that a tremendous consumer purchasing capacity exists for practically all classes of merchandise.

Potential purchasing power is but one factor to be used in evaluating a market for a given product.

Willingness of consumers to purchase is almost as important a factor. For instance, manufacturers of electrical equipment for the home know that the Pacific Coast states form one of their best markets. This is because the people of the Pacific Coast have acquired the habit of spending money for luxuries and for articles which contribute to greater convenience in the home.

Consumer purchasing capacity by counties in this country is a matter of statistics. The Department of Commerce at Washington is in possession of most of the facts and figures.

A good statistician can, with little effort and expense, relate these facts and figures to the particular products under consideration. The result will look interesting indeed, but the study of these facts and figures will reveal that they are important only as leads to a more intensive study of markets as they exist in purchasers'



The ink firm's sales experts introduced a line of fountain pens and saw with glee a new flood of ink pouring to market



minds. There is an old German proverb which says, "God gives nuts to the squirrels, but they must crack them."

Now the study and analysis of other men's minds seems decidedly impracticable and rather "highbrow" to the ordinary business man. Such study and analysis were considered both impracticable and "highbrow" by executives of the most successful corporations prior to 1920. These men, in great part, are now the devoted advocates of psychological sales analysis. They have eaten of the fruit of research and found it good.

#### Wanted: Trained Mind Readers

**W**HAT will women wear next season? Which color will receive their favor? Will the chosen fabric be silk or cotton, celanese or rayon?

Millions of merchants are asking these questions six months in advance of the season. Many of them have trained research investigators, who are little short of mind readers, studying the problem here and in Europe.

Why is a particular color selected? What makes a design popular? What gives a fabric class? The answers will not be found in statistics, but in the minds of men and women. He who can forecast a composite opinion will be the successful manufacturer or merchant of that season.

What hope of success has the complacent manufacturer or merchant, trusting in tradition and continuing to make and sell the goods of yesterday, in competition with those ever seeking, inquiring people who are thinking in terms of the goods of

tomorrow? It was only a few years ago that a ton of coal was merely a ton of coal, either bituminous or anthracite. A buyer who demanded an analysis of the coal purchased was considered finicky. Few large users of coal even knew the meaning of B. T. U.'s.

Now times have changed. Coal is being merchandized. The analysis goes with it like the seat coupon on a theater ticket. British Thermal Units are sold rather than coal. Definitions of the ash and sulphur content are made clear in every contract.

The coal industry, in greater part, has not yet adapted itself to these new conditions, but it must adapt itself to them, for they are here to stay.

The analyst is abroad in the land, a menace to old-fashioned and wasteful production practices. Markets for coal are now being studied by research engineers and sales experts. "Adaptation to markets" is a common expression in conversations relating to coal.

There is no industry in this country in a more deplorable condition at the present time, but men who study their markets and their production procedure, relate their products to their economic markets, and reduce their costs through scientific production practices, are hard men to defeat, and the coal operators who are so studying and striving will not be defeated.

The study of markets leads almost inevitably to their ultimate extension by effecting an economic relationship be-

tween the price which the producer is obliged to charge and the price at which the purchaser can afford to buy. It is well known, for example, how automobile manufacturers have enlarged their market by so reducing the cost of production that their products would come within the buying power of certain classes.

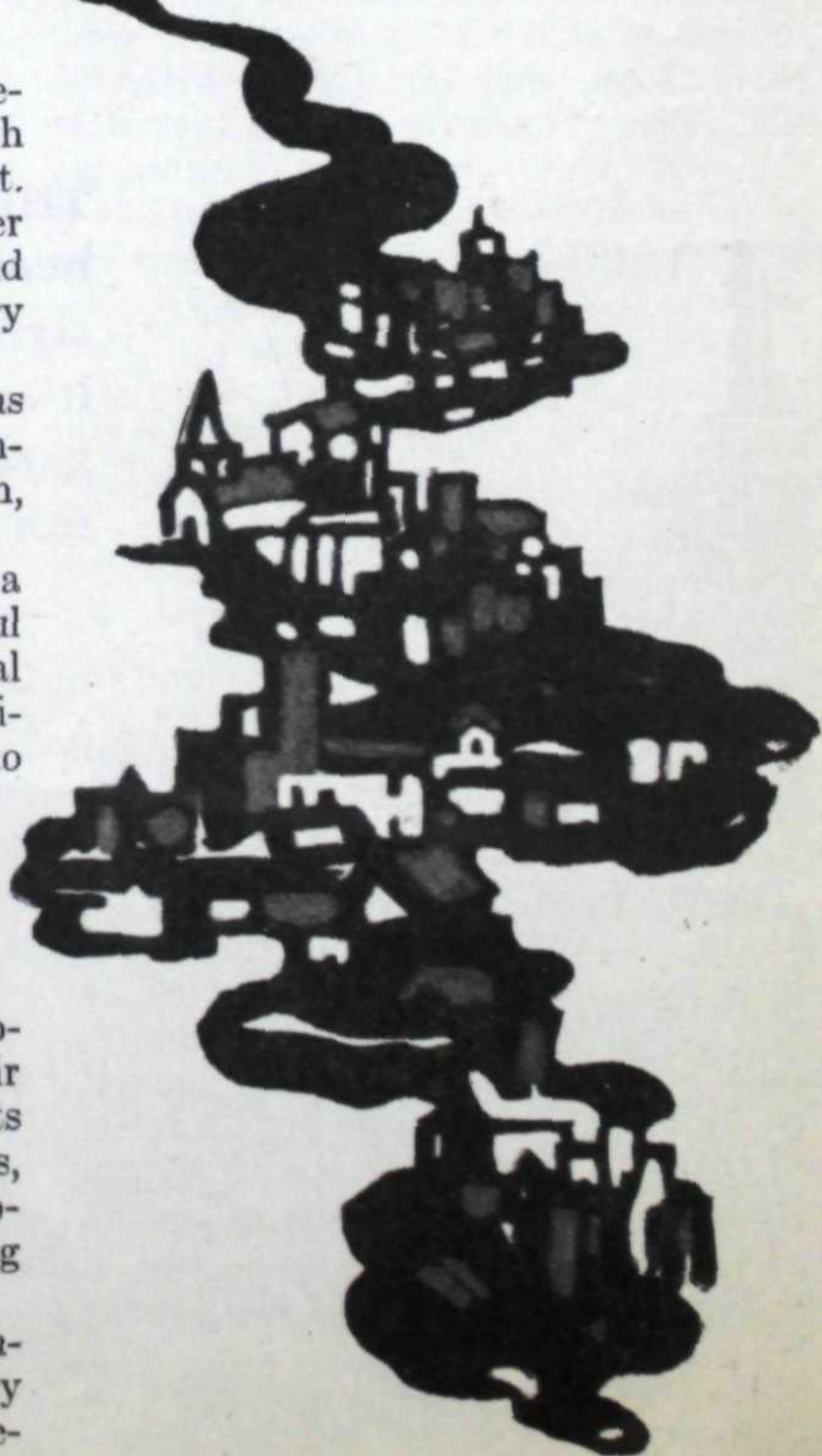
Moreover, market study revealed to these progressive manufacturers that even the market so ascertained could be doubled and redoubled by extending credits through the instalment sales system. It was through further patient investigation that they were enabled to determine the basis on which instalment sales could be made with safety.

#### Thrive on Competition

**I**T WOULD appear that the market trend of cigars shows a downward tendency. The majority of smokers apparently prefer a cigaret in these highly nervous and hurried times. Cigar manufacturers, therefore, have been confronted by much the same kind of market as have the producers of coal. Production facilities have been greatly increased by machines for rolling, wrapping, and selecting cigars as to their color shades.

In the face of such economic facts and of the keenest competition certain cigar manufacturers have greatly increased their sales as a result of intelligent market study and analysis.

They found, as many other manufacturers have discovered by making similar studies of their markets, that their salesmen were not properly developing the purchasing power of the territories in which they operated. Steps were taken to educate these salesmen and to







insist that a given territory be developed to the limit of its purchasing capacity. Definite sales quotas were allotted to each territory. The quotas

were set at an amount which the salesmen operating in that territory could reasonably be expected to attain. When he discovered that the sales manager at the home office knew more about his territory and its sales potentialities than he did, he came to the realization that he must become a more efficient salesman if he was to keep his job.

The setting of quotas cannot be done efficiently, however, unless the sales manager knows each sales territory as intimately as a military leader knows his terrain.

In the setting of sales quotas a balanced judgment is important. It is possible to establish a sales quota that is a marvel of intricate calculation. At the other extreme one takes the intelligent estimate of a good salesman and lets it go at that. A common sense balance of opinion somewhere between these two extremes is most often the sounder policy.

### Quotas Should Be Itemized

**T**HERE is no end to interesting experiences in the setting of quotas. It had been the custom of a manufacturer of pens and pencils to assign each salesman a total quota. It was found that the men would make their quotas by concentrating on certain more salable items to the detriment of the others. To cure this evil he established weekly quotas by items, basing these quotas on an analysis of past sales, possibilities of the territory, and the salesmen's estimates of probable sales. In a short time this plan enabled the manufacturer to obtain balanced sales over his entire line.

The outstanding feature of market study is the revelation of ineffectual sales methods and inferior salesmanship and when it is realized that every industry is superimposed upon its sales organization, the importance of the proper sales approach and competent salesmanship is appreciated. The economic chain is no stronger than its weakest link. Inadequate, untrained, unintelligent sales representation is the cause of many unsuccessful enterprises. It might be added in a spirit of fairness that many a market study develops the fact that sales troubles and buyer resistance are due to careless processing methods in the factory. If the quality is inferior and the preparation for market careless, the sales department should not be blamed if sales develop a declining tendency. Market study reveals many a hidden manufacturing or merchandising sin.

There is no royal road to a knowledge of markets. Consumer psychology can only be analyzed and consumer purchasing trends appraised by personal contact with consumers.

If the piano manufacturer would prop-

erly develop a market for his instruments in Omaha, for example, he must ascertain what the people of that city are thinking about in terms of musical instruments. He must discover in what degree they desire pianos as compared with phonographs, radios, and other musical devices. He must ascertain the purchasing capacity of the Omaha zone for pianos; also how many people there are in this zone who can afford to own a \$2,500 player-piano or a grand piano, how many can afford to buy a baby grand or an upright, how many already own pianos, the present age of the pianos now owned. He must discover if these peo-



The sales manager must know his sales territory as intimately as a military man knows his terrain

ple are in the mood to exchange the old piano for a new one, or if they have no piano at all, what kind of a piano they would prefer. Could they be induced to buy a piano under any circumstances? And so on through a dozen or more equally important questions, every one of which could be answered satisfactorily by an intelligent market study of inhabitants of this particular city.

It is unquestionable that with the knowledge of all the facts surrounding the distribution of pianos in Omaha, the manufacturer could either establish his product in that city on a sound basis or determine not to do business there.

The objection may be raised that the results of such a comprehensive market study would not justify the expense, the belief being somewhat general that sales research is costly. It can, of course, be made complicated and extravagant, but when intelligently planned in the home office where all general statistics may be gathered and sorted at a minimum of cost, such a study may be made at an expense small in comparison with the result certain to be attained.

To be most beneficial, such a study should be made by the organization itself. No man's intellect will develop from another man's thinking. A producer must master his own market problems or be prepared to see red ink creep into his operating statements.

### Fountain Pens Sell Ink

**A**S BETWEEN success and failure, the reason is often just around the corner. Analysis of its sales by a large ink company for the preceding year showed no increase, while market investigation proved that there had been a large increase in the national consumption of ink. Further investigations developed that manufacturers of fountain pens were manufacturing ink and that this had become quite a factor in the ink market. To minimize the effects of this new competition the ink company put on the market a line of fountain pens and is now successfully obtaining further distribution for its ink through the marketing of fountain pens.

Simplified and boiled down to a common-sense content, market study is an absolutely necessary phase of scientific administration. In fact, there can be no scientific administration without it. It is the primary principle of the system.

Market research is doing for marketing what production research has done for production. This analogy will be readily appreciated by those familiar with efforts to improve production efficiency. In mining operations, for example, diamond drilling and other production research aids are used to determine where the shaft should be sunk, in what direction the drift should be, and the probable return from the investment and effort required.

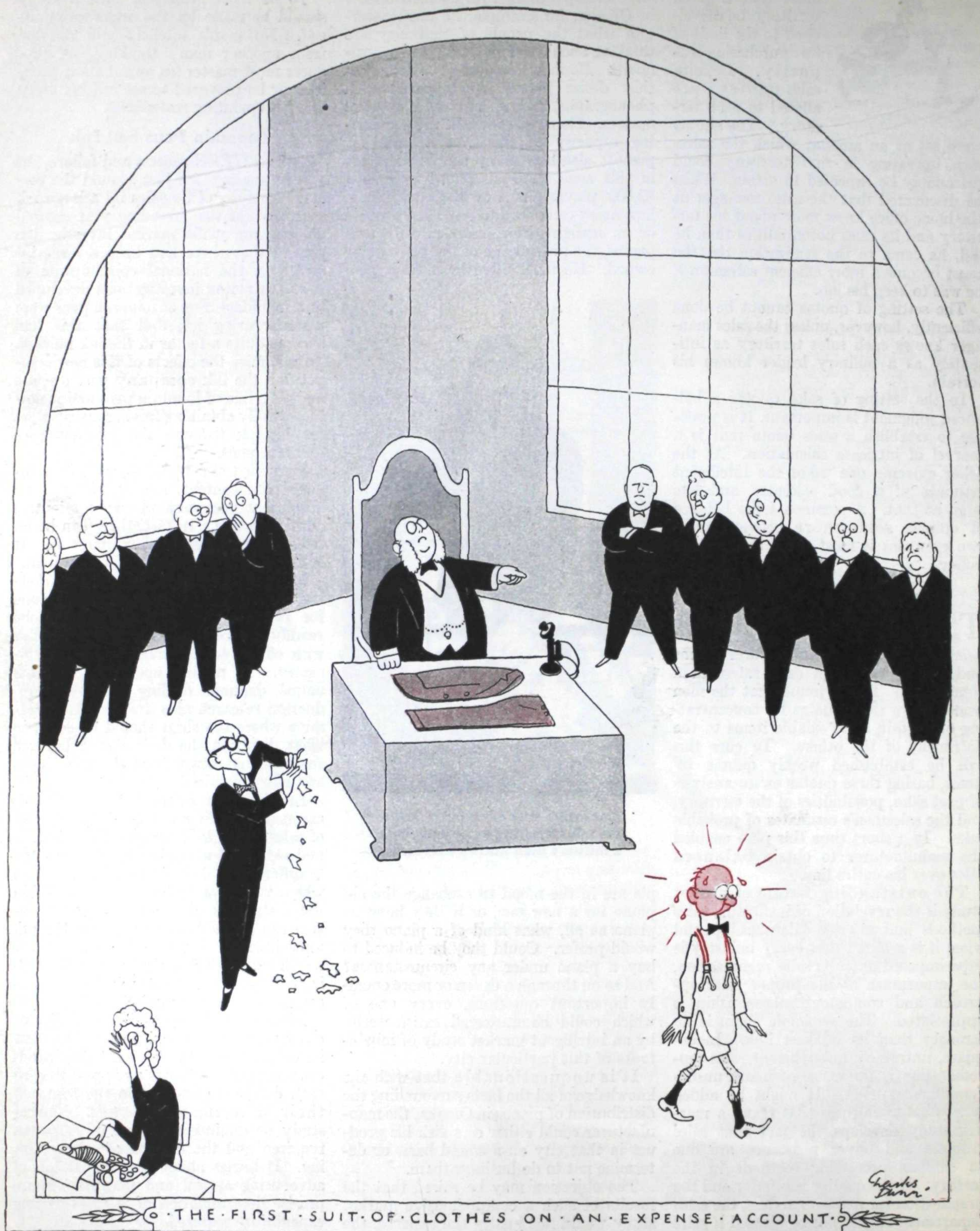
In a like manner market research aids are used to "diamond drill" in advance of sales effort, to determine the existence and extent of a market for the product in different fields and the sales resistance which will have to be overcome. From the facts thus developed, a determination can be made as to whether the potentialities of a particular market are worth cultivation in the light of the selling cost involved and its relative value as compared to other markets.

Market study reveals that different classes of buyers of the same product view its value to them in different lights. Modern selling effort directs its appeal toward each different class and in the terms of their differing self-interests. Market study determines the type of salesman required and the method of sales training. It brings about a specialization of advertising appeal and permits a more precise determination of the advertising expenditure required.

Having studied the consumer capacity and appraised the consumer demand of the markets in which he anticipates selling his products, a manufacturer is in possession of facts and  
(Continued on p. 96)







THE FIRST SUIT OF CLOTHES ON AN EXPENSE ACCOUNT

## VII. Unrecorded Moments in the History of Business

NO INCIDENT in American business history has been more often related than that of the salesman who with striking candor pointed out that his suit of clothes really was in his expense account, even though his employer could not perceive it. Few of us realize the upsetting effect of the employer's first discovery that the suit did repose there. Charles Dunn, pitiless delineator of American business history, here sets down the moment for posterity. The president's just horror, the indignation with which the sales manager rends the account, and the shame of the retiring but unattired culprit, all are laid bare by our artist's pencil



OUR automobiles are introducing new ideas of communication and transportation in every corner of the world. More than 600,000 American cars go to the earth's far places each year



# Making the World Move Faster

By JAMES D. MOONEY

*President, General Motors Export Company*

THE American business man in export trade is the most powerful constructive force in a world which is steadily rebuilding. In an age which challenges imagination he is the greatest adventurer.

Around the curve of the earth, and without a thought of the appropriation of territory, he is building a great American commercial empire. The world has seen nothing of its like before. Simultaneously, he is inspiring and aiding foreign nations to create wealth within their own boundaries, with all that that implies in their future stability and prosperity.

I like to think that he is doing all this because of what is in his blood—his pioneer heritage. For he is the blood son of those dauntless Americans of the eighteenth and nineteenth centuries who could not rest until they had overpassed all barriers raised against them by Nature and by savage.

The little bands of restless men who came out from Europe in the seventeenth century to dot the Atlantic seaboard with their settlements and to found a new country, left behind them generations fully eager and as restless. Their sons and their sons' sons pushed ever westward the border of the civilization their fathers had established.

Only the barrier of the Pacific checked them. For many years, then, there was a pause. Colonizing ceased and the pioneers and a newer generation sat down to build upon what they had found. But the creative restlessness in their blood could not sleep, and early in this century it started up, in fresh pioneering spirit, to conquer new obstacles, modern obstacles.

The restless pioneer began to go out to plant the flag at the four corners of the

earth. Business in foreign lands became the great adventure. And while it may seem prosaic enough to sell machines to carry foreign peoples about on wheels, or to spread cash registers, plows, typewriters, sewing machines, reapers or films all over the earth, I have found export trade to be not only a great constructive force for the world at large—bringing about economic development with unprecedented rapidity and certainty—but also the greatest of sporting enterprises.

Adventure with a brief case in its hand. Romance under a derby hat. But adventure and romance nevertheless.

Before attempting to sketch the interesting and significant aspects of American export trade, and in particular, the sale of American motor cars in foreign countries, I must, I think, lay down a necessary economic groundwork for the story. Or background, if you like.

In the United States today we are faced with the problems that burden a creditor nation. The world owes us money, and the world can pay only in goods and services.

But this does not mean that our exporters have no opportunity in the world markets today. These other nations will not wait to buy our goods until, with their own goods,



GENERAL MOTORS

Business overseas must be conducted with careful regard for the traditions and customs of the peoples



they have discharged their debts to us. They need our goods today, and they will buy them but we have got to make it easier, in every way we can, for them to buy.

### Cars Help Purchasing Country

**T**HE most important way is to assist the countries with which we trade to create wealth for themselves. Take the business of exporting motor cars. The General Motors Corporation has plants today in 23 foreign cities. These plants employ local labor from Iceland in the north to New Zealand in the south; from Peru in the west to Japan in the east—17,000 men and women. It operates through 6,000 distributors and dealers, and with countless service stations.

A great deal of locally purchased material is used, and the effect on local economic conditions is considerable. Far more important, however, is the fact that every motor car or truck sold abroad is creating wealth in the territory where it is sold—wealth with which to pay the debts of the country and to purchase more American goods.

When British capital, some sixty years ago, helped build our railroads through the West, British bankers received a return on their investment, but for every dollar they took out of the country hundreds of dollars in new economic wealth was created along the lines of rails their money laid. With motor cars and other American products we are doing this same thing today in foreign lands.

American motor cars are increasing the tempo of foreign life. In a very real sense they are inspiring energy which goes into labor and production.

Their wheels are carrying Europeans, Asiatics, Africans, South Americans and Australasians out of their old-time lethargies and traditional inertias.

Before this year of 1928 is done more than \$500,000,000 worth of American motor cars will have been sold and distributed in foreign countries. The Department of Commerce has totalled the automotive exports for the first five months of the year at \$213,770,339 as against \$190,616,428 for the corresponding period of 1927, an increase of 12.1 per

cent. This increase is general and applies to most all countries.

The company of which I have the privilege of being chief executive enjoys a round half of all this business, and will export, by the end of 1928, 295,000 motor cars of all kinds, of a total value, in round numbers, of \$265,000,000. A hint of the vastness and activity of our export trade may lie in the fact that \$20,000,000 worth of our motor cars are always at sea, in transit to foreign countries.

The American automobile is introduc-

ing donkeys and camels. Shanghai and Hongkong are beginning to learn something about traffic congestion. From Rangoon to Mandalay the road is dotted with signs, "We Fix Flats." In the Gobi Desert, Dr. Roy Chapman Andrews, explorer and anthropologist, himself traveling by American motor car, encounters other American automobiles.

In the crowded streets of Osaka and Melbourne, in the jungles of Papua, and in Iceland the American motor car is making its way and doing its bit for civilization. More than 3,000,000 motor cars manufactured in the United States are running today on foreign soil.

In my trips of inspection abroad I have come across innumerable instances of what American cars are doing for backward peoples. I have seen how it is changing the lives of individuals and consequently altering the destiny of nations.

### Luxuries Carried In

**A** YEAR ago I made a trip up country from Rio de Janeiro in Brazil through the vast state of Minas Geraes. In a tiny village more than a hundred miles from the nearest railroad I stopped at a modest building which housed what we would know here as the general store.

The proprietor had prospered and had bought an American touring car. Prior to that purchase he had used a bullock cart to go to the railroad station for supplies. His wife and daughter had been used to the primitive conditions and customs of the remote village.

Today this Brazilian storekeeper motors to the railroad town at least once a week and he takes his family with him. The wife and daughter wear silk stockings now.

Nine other cars have gone to that Brazilian village, and banana and

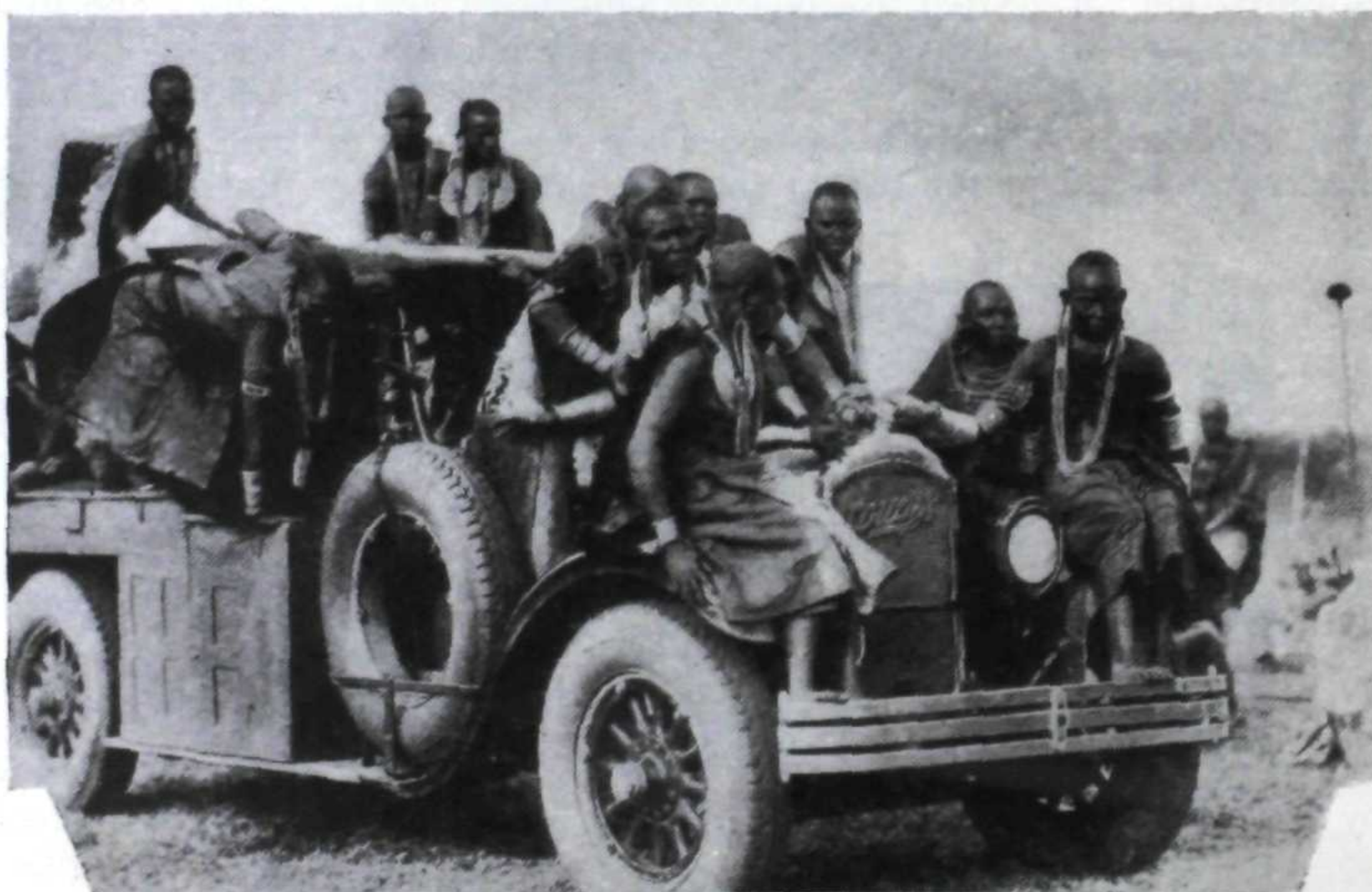
other fruit growers have discovered that they can move their entire crop to the railroad before it rots after picking.

This is merely one illustration, which fell under my own observation, of what the American automobile is doing to change the lives and increase the happiness and prosperity of foreign peoples. There are thousands of such communi-

(Continued on page 98)



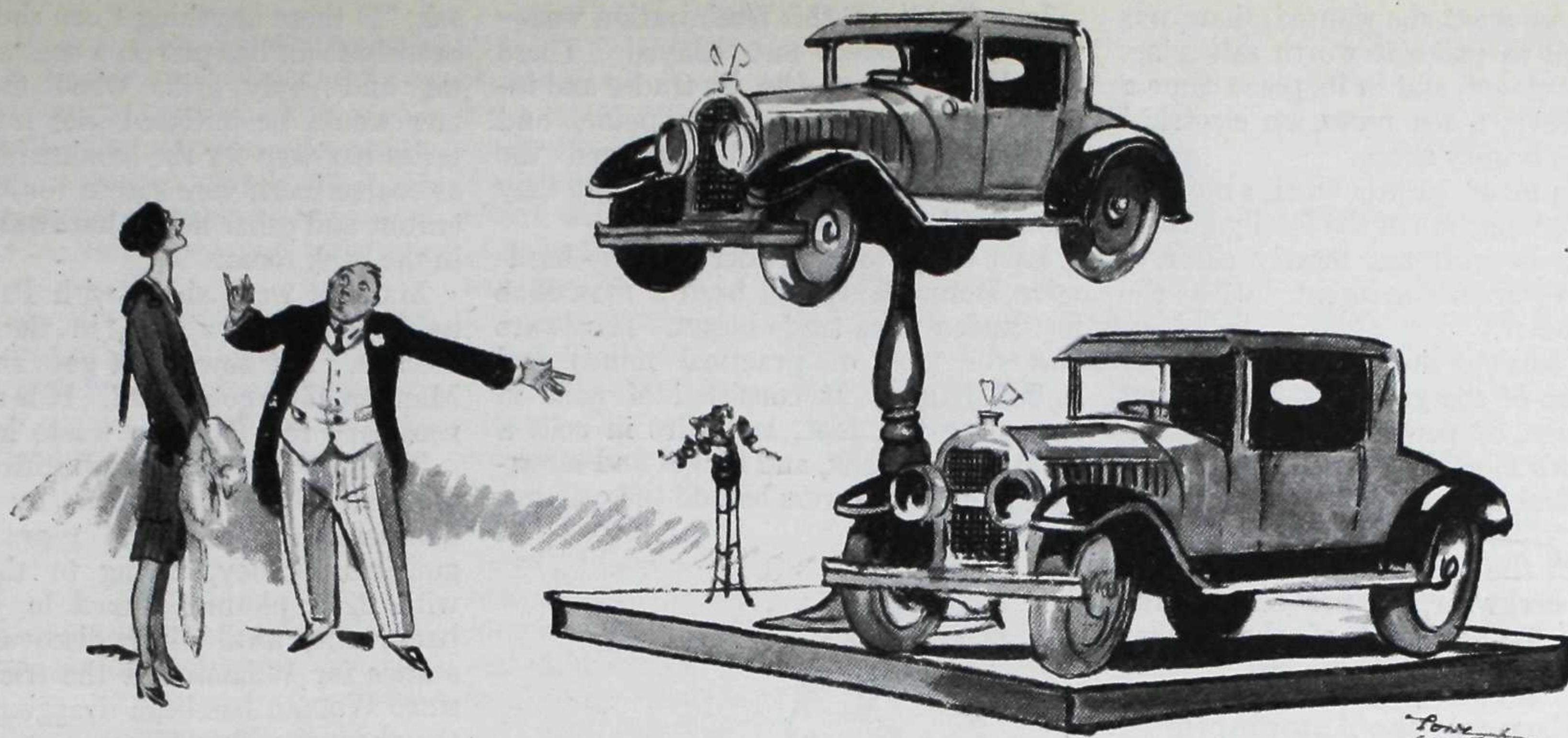
**AMERICAN motor cars are increasing the tempo of foreign life. In a real sense they are inspiring energy which goes into labor and production. Their wheels are carrying Europeans, Asiatics, Africans, South Americans, and Australasians out of traditional inertias**



BROWN BROTHERS, N. Y.

ing new ideas of rapid communication and transportation throughout the world. The man who wants to travel from Damascus to Bagdad no longer goes by slow-moving camels, but takes a seat in a motor bus. The visitor to Jerusalem travels about the ancient city in American taxicabs. On the road to the Pyramids swift automobiles bearing the marks of American makers flash past the plod-





"Automobiles are now displayed in ornate showrooms where they can be compared like bonnets"

# Has Your Business Sex Appeal?

By JAMES H. COLLINS

Illustrations by Tony Sarg

**B**ILL brought home a mysterious package, round and light. "What's that?" demanded his wife.

Bill took off the string, and the package jumped. He took off the paper, and flattened out a piece of coarse brass screen wire.

"To mend the top of the incinerator," said Bill.

"Where did you get that?" cried his wife, jealously. "I've looked everywhere for something like that and couldn't find it."

"Ah! Men still have a few things hidden from women," exclaimed Bill. "You can't go into a department store and ask for this. You never see it displayed or featured in a special sale."

"I want some of it—tell me how to get it, this instant!"

"Well, you have to go to a hardware store," explained Bill. "You won't see it in front. Hardware stores have begun to spread out their goods, but it isn't on the counter. Hardware stores now have sales women, but they won't know what you are talking about. You have to get a man, and he will take you to the back of the store, where there are rolls and rolls of this stuff, of different widths and meshes, and he will cut off what you want, just like piece goods."

"Isn't that an idiotic way to sell anything!" said Bill's wife.

It is! And strange to reflect, only a few years ago, most things

were sold that way. The world of merchandise was a man's world. Women had the dry goods store and millinery shop, and that was about all. When the dry goods store became a department store, with rest rooms and other feminine conveniences, its great success did not make an impression on the business mind for a dozen years.

## How Times Have Changed!

**A** GENERATION ago women were not seen in restaurants. They seldom ventured into banks. Clothing stores were solemn institutions, where women sometimes dared to go with their men folks when a new Sunday suit was selected.

Much sport has been made of the "Mauve Decade," with its bangs and its bustles, but I have not yet seen any satirist explain what was really the matter with it.

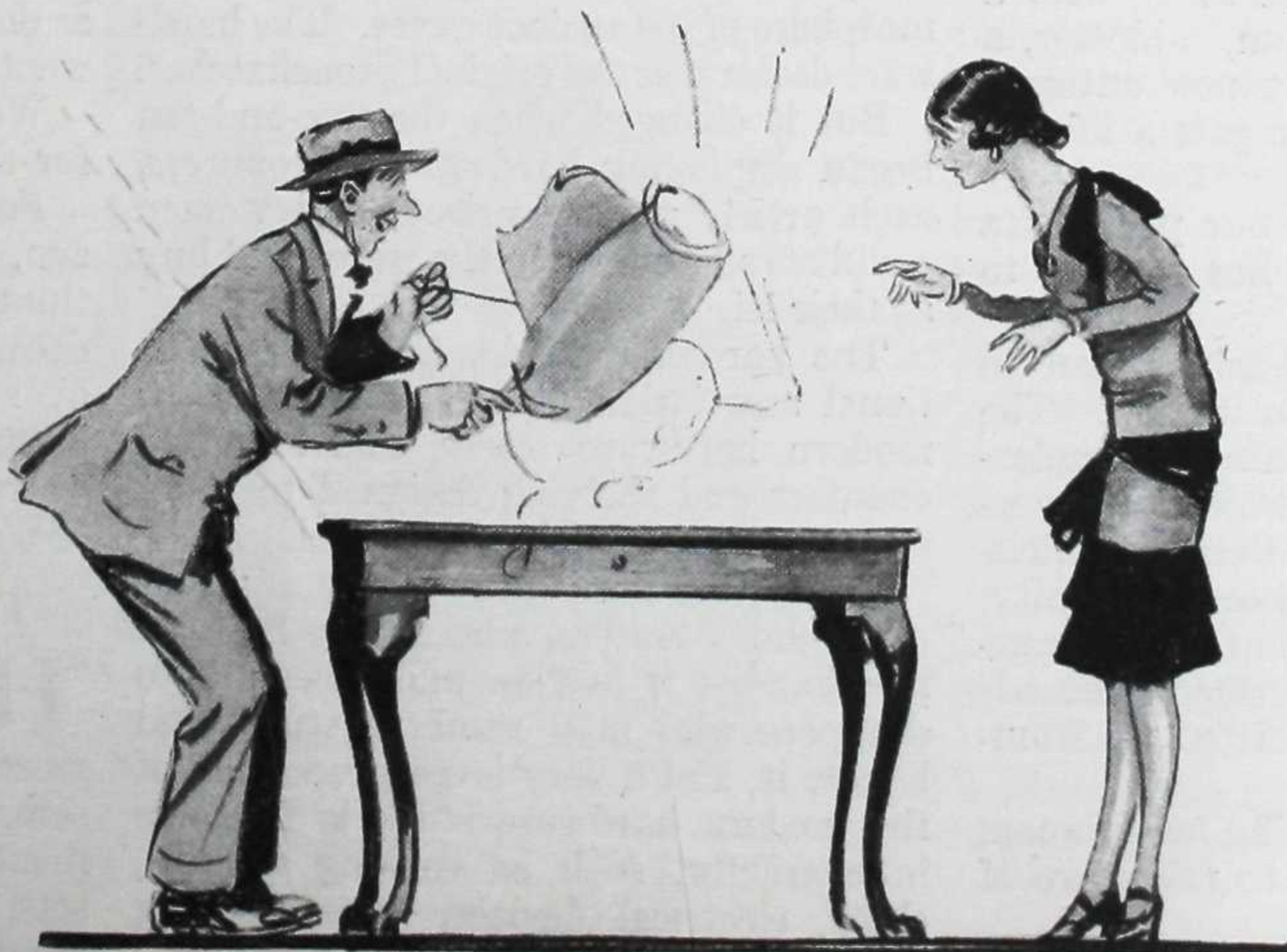
The thing is very simple—what more would you expect from a period in which all the shopping was done by men?

Today—what a difference! Woman took one look at the grocery store and the butcher shop, from which Man brought home paper bags of buckwheat flour and crackers and hunks of raw meat, caveman fashion. The crackers crept into ten-cent packages, and the butcher carved dainty mock ducks and displayed them in refrigerated show cases.

Woman has invaded the banks—and look how their business has grown!

Woman dominates the barber shop, she is in the broker's office, and I am certain that if the saloon had survived she would be there, too. The schooners would sail across the bright mahogany on dainty lace doilies—and they would be sanitary paper schooners. The free lunch counter would serve lettuce sandwiches and ice cream cones.

However, the saloon had so many bad business practices that when Woman looked



Bill took off the string and the package jumped



it over to see what she wanted, there was not enough to make it worth salvaging. She had it closed, and in its place came a chain grocery, a tea room, an electrical store and a beauty shop.

Woman now spends such an overwhelming proportion of the family income that business must not merely cater to her as the purchasing agent, but as the chief customer.

Recent surveys show that women buy 81 per cent of the groceries, 78 per cent of the drugs, 82 per cent of the department store's merchandise, 80 per cent of the electrical apparatus, 80 per cent of the jewelry, 98 per cent of the silks, 75 per cent of the men's socks, 63 per cent of men's neckwear, 49 per cent of the hardware, 67 per cent of the leather goods, 78 per cent of the pianos.

### She Discovers the Automobile

**Y**ESTERDAY, automobiles were sold in garages, by fellows in overalls who crawled out from under a car to attend to the purchaser—who was invariably a man.

It took the automobile industry a dozen years to discover that one of its best customers was Woman. Or, rather, Woman discovered the automobile industry and had cars displayed where she could compare them like bonnets and buy them on instalments like furniture.

The number of cars has grown from a million to more than 20 million. Women buy more than half of them, and drive them more than half the time, and buy more than half the gas and oil and service.

In the days when Man drove the car, gasoline was dispensed by a tough-looking citizen presiding over an array of five-gallon cans along the roadside.

Today it is sold from a pump, at a service station, where the motorist has her choice of brands, and can see the amount in a glass receptacle, and while it is being put in the car one attendant wipes the windshield, another sees that the tires have enough air, another gives road information.

After the lady has powdered her nose in a rest room she drives away with a road map, a radio program, a blotter, a chance in a drawing for a new automobile and for another cent gets a life insurance policy.

Is it any wonder that our per capita consumption of gasoline has run up to several barrels a year?

About 20 years ago banks began to make some concessions to women. The bankers discovered that an astute salesman was catering to the women in financial matters—none other than Get-Rich-Quick Wallingford. That seemed a pity, so the banks invited accounts from women, appointed women managers who advised women depositors, fitted up women's rooms, and so forth.

It has been a grand thing for Woman, for she now knows how to take care of her money.

But it has been a grander thing for the banks, because their resources have been multiplied by five since 1910.

In a few lines, this feminization was—well, not resisted, but delayed. There were business men who, by trades and industries, did not see the point, and thought that Man still managed the world. They came to it slowly, but they have paid—they have paid!

Last of all to surrender was the hardware store. This had been a masculine institution since trade began. Hardware was for men of practical minds and skilled hands. It consisted of nails in kegs near the door, and wire in coils a little further back, and hinges and screw-eyes in green drawers behind the counter,



Woman now spends such an overwhelming proportion of the family income that business must recognize her as the chief customer

and hoes and rakes and coal-hods overhead. Dark, cluttered and complicated, the old-fashioned hardware store was an establishment where a man could crawl away from womankind and feel the atmosphere of his ancient caves. The hardware dealer was the original Stonehatchet.

But it changed when the five-and-ten began displaying hardware on counters, each article plainly priced, and women could stand and study the wares and buy at their leisure.

The hardware trade, through its national association, had studies made for modern hardware stores, and standard counters and shelving designed to carry out new methods of merchandising.

Today, the hardware store is an affair of display counters, where fully half the merchandise is in view and accessible to shoppers who may want to study and handle it, and a very large proportion of the modern hardware stock is feminine in character, such as cooking utensils, china, electrical devices, house-cleaning equipment.

Stonehatchet, the proprietor, now has handmaidens who meet the customer and

ask, "Is there anything I can show you?" Stonehatchet has put on a coat and necktie, and shyly grins when the customer would be initiated into inner mysteries too deep for the handmaidens, such as coarse mesh wire screen for the incinerator, and other heavy hardware carried in the back room.

Mamma went shyly with Papa when he bought a new suit, in the "Mauve Decade," but now Papa goes shyly with Mamma, if he goes at all. It is not really necessary for Papa to waste his time.

The way it works now begins with the movies. Which themselves, by the way, blundered along several years in their guileless infancy, trying to thrill Man with fight pictures faked in Brooklyn backyards, until they discovered that stories for Woman did the trick. Ever since Woman has been dragging Man to the show she likes to see.

To sell Man his clo<sup>or</sup> you begin with the mov<sup>I</sup>. On the athletic, forc<sup>is</sup> hero you display what in- well-dressed man is w<sup>se</sup> es- ing.

Mamma goes to the tures. Mamma falls in- with the hero, and observe his suit, his tie, his collar. Mamma goes forth and purchases similar gear for Papa.

If Mamma is married to Papa, and quite a while, Papa will see what the well-dressed man is wearing when he is told to put it on. If they have been married not quite that long, Mamma will take Papa to the haberdashery to try things on—not because she considers his opinion of any importance, but because she has not yet learned what really

becomes him, and wants to use him as the dummy.

We live in an age of technical wonders, grow up with automobiles, radio and all the rest of it, all as matter of fact to us as dolls and tops were to generations that went before us.

Woman deserves a great deal of credit for that state of affairs.

For example, there was radio, ten years ago, an absorbing toy for boys, and a thing that technical men sometimes dreamed about in a vague way, music over the ether, public men's voices heard by millions—but all far off, 50 years or 25 years at the shortest.

Woman heard radio.

### The Feminine Spur to Progress

"**H**OW wonderful!" said she. "And how ugly!" She covered the early commercial sets with tidies, hid them behind screens, found ingenious places of concealment, until the first frantic demand for sets, by people who wanted to enjoy radio regardless of its looks, ended. Then there was a slump. Woman was the cause. She would go no further with radio until it



slicked up. Now, radio is anywhere from one-fourth to 90 per cent furniture which is pleasing to women.

The necessity for combining the entire apparatus in a cabinet, which takes its power from a light socket, crowded a dozen years' technical progress into two or three years.

Man changes his ways slowly. In an age of earlier marvels, it took ten years to persuade him to adopt the typewriter, and 20 years before he worried his way to a commercial application of the phonograph.

### Some Trades Lag Behind

**W**OMAN says, "I want that!" and her acceptance runs into such money that the technical men get busy and make their inventions practical, good-looking, fool-proof.

Some trades lag behind in feminine appeal. Manufacturers of plumbing, heating and building equipment in general complain that the dealers who furnish the link with the public lack salesmanship—by which they mean that the plumber, heater man and dealer in building materials—do not yet understand women. It is difficult to display lumber as daintily as lingerie. The plumber and heating installer are mechanical by training, their mercantile education having been neglected.

But even in these lines sex appeal is coming, and Woman is forcing the issue by her activity in real estate.

There was another sacred precinct of Man's, supposedly protected by its legal complexities, its construction technicalities, the large sums involved, and so forth.

But Woman is the logical purchaser of a home. That gave her room for one foot inside the door of the real estate broker. She is in business, nowadays, and a renter of business property—the other foot followed. She is an investor, and often prefers real estate, and learns the game by managing her own property.

Woman is now a fixture in most real estate offices, she rents, sells and builds

for other women. Recently, a Los Angeles realty concern opened a "woman's subdivision," in which the whole job of selling a large city section is in the hands of women.

And here is where Woman penetrates the technical mysteries of the building specialists who have their shops in dark basements and their merchandise concealed in crates. It is being dragged out into the light and put together for display in showrooms. Going a step farther, Woman demands that it be built into demonstration homes, so that the final effect can be gauged.

The factories and utility services are still managed by men. They control the vast spending for machinery and service systems. But what they have to sell must finally be put on the counter where Woman can look it over. If they cannot give it sex appeal, they are out of luck.

It is dangerous to neglect her as a purchaser at any point where goods pass into consumption. For no business can live on Man's trade. At most, he has only half the purchasing power, and at the least, a bare 15 per cent, and his share is constantly shrinking.

### A World All for Her

**M**AN has been kidding himself with the belief that he runs the industries which formerly belonged to Woman as part of the home. A hundred years ago or so he made his first raid and took spinning and weaving into his factories. Bit by bit he has been looting the household industries, taking the washing, the baking, the soap-making, and so forth until



tonight, if he has cold boiled ham for supper, as like as not it was boiled in Germany, sealed in a tin, and sliced by the neighborhood delicatessen dealer.

But the domestic industries are no more under Man's control than they were before Hargreaves and Cartwright invented the spinning jenny and the power loom. Woman has followed them into the marts to see how they are being run and she controls them through her insistence on cleanliness, through fashion, and all her other

demands. If Man imagines that he controls anything let him try to sell her something she doesn't want, such as long skirts.

It is a sweet world, and it is all for her. She is Purchasing Agent for at least three-quarters of all consumer goods and service, and is constantly enlarging her proportion.

Therefore, I have summarized here ten outstanding traits of Woman, the Purchasing Agent of the Home, based on the experience of those who successfully sell to her:

1. She is dead serious. Woman has a keener sense of the ridiculous than man. But not when she is spending money!

2. You can't scare her. She is not shy, nor ashamed to ask fool questions. She will not take fool answers.

3. She won't be hurried. Woman insists on seeing everything before she buys. Which is why at least three department stores are necessary for a present-day shopping district.

4. She isn't a bargain hound. She shops for value more than cheapness, seeking the best or most for the money.

5. She is not emotional in buying. Mountains of gushy selling appeal are aimed at Woman, but the dainty-distinctive-dearie line of argument makes little impression on her.

6. A top sergeant for looks. Cleanliness, appearance, eye appeal, mean more to her than how a thing works. A man selected an auto after weeks of comparison, but didn't buy it because his wife didn't like the color of the upholstery.

7. Woman has a picture. Man buys by plans, blue prints, but Woman generally starts with a mental picture of how the thing will look when finished.

8. She likes nice flavors and colors. "A man eats for bulk," say caterers, "but a woman for delicate flavors."

9. She has a strong sense of rivalry. Woman keeps up to scratch longer than Man, and never loses sight of the Joneses.

10. She is actually the purchasing agent. Woman has the highest sense of responsibility in spending the family money and is keen about everything that saves time, kills drudgery, makes life clean, intelligent, and interesting.

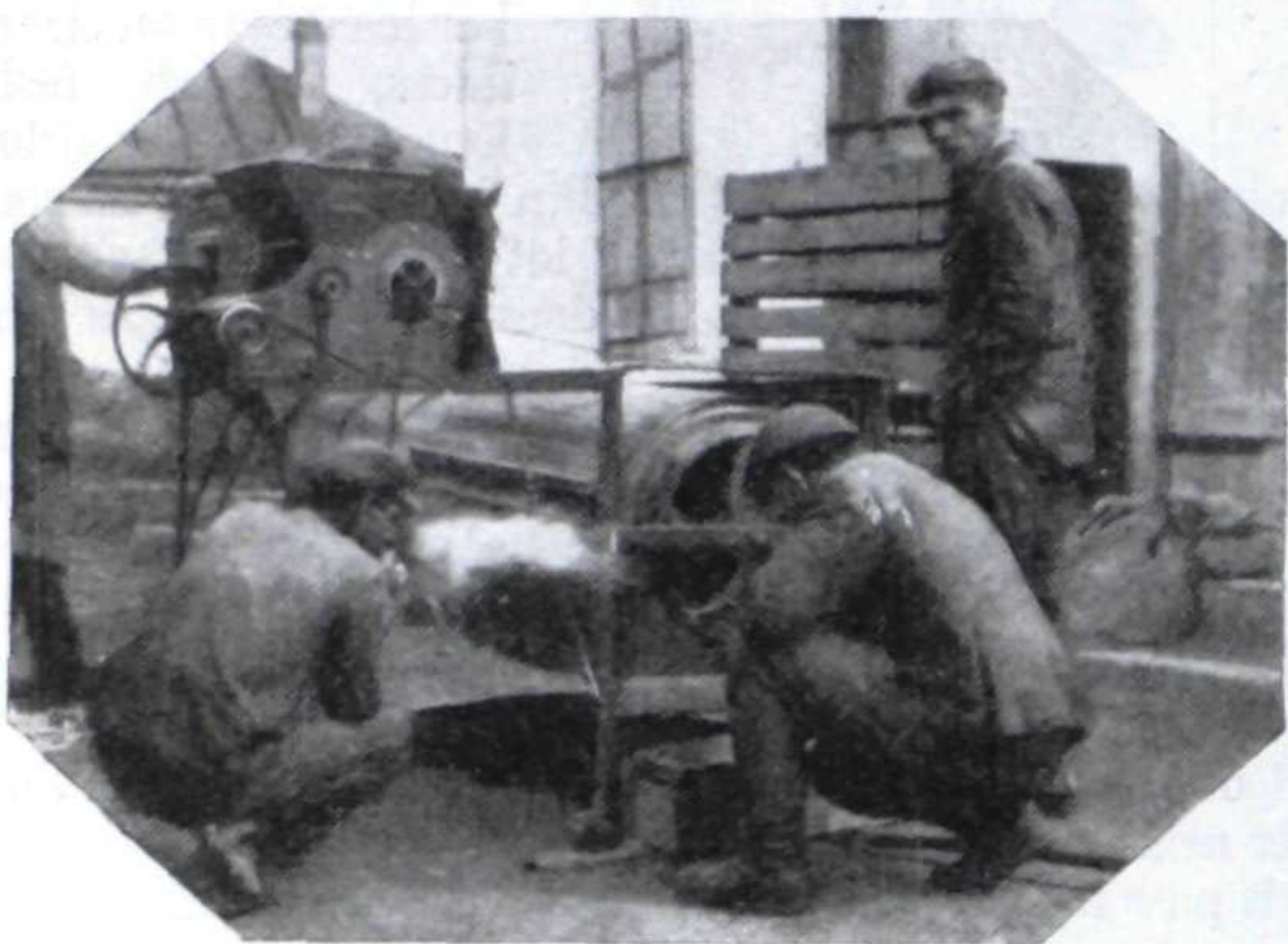


Stonehatchet has donned coat and necktie and shyly grins when the customer's questions puzzle his handmaidens

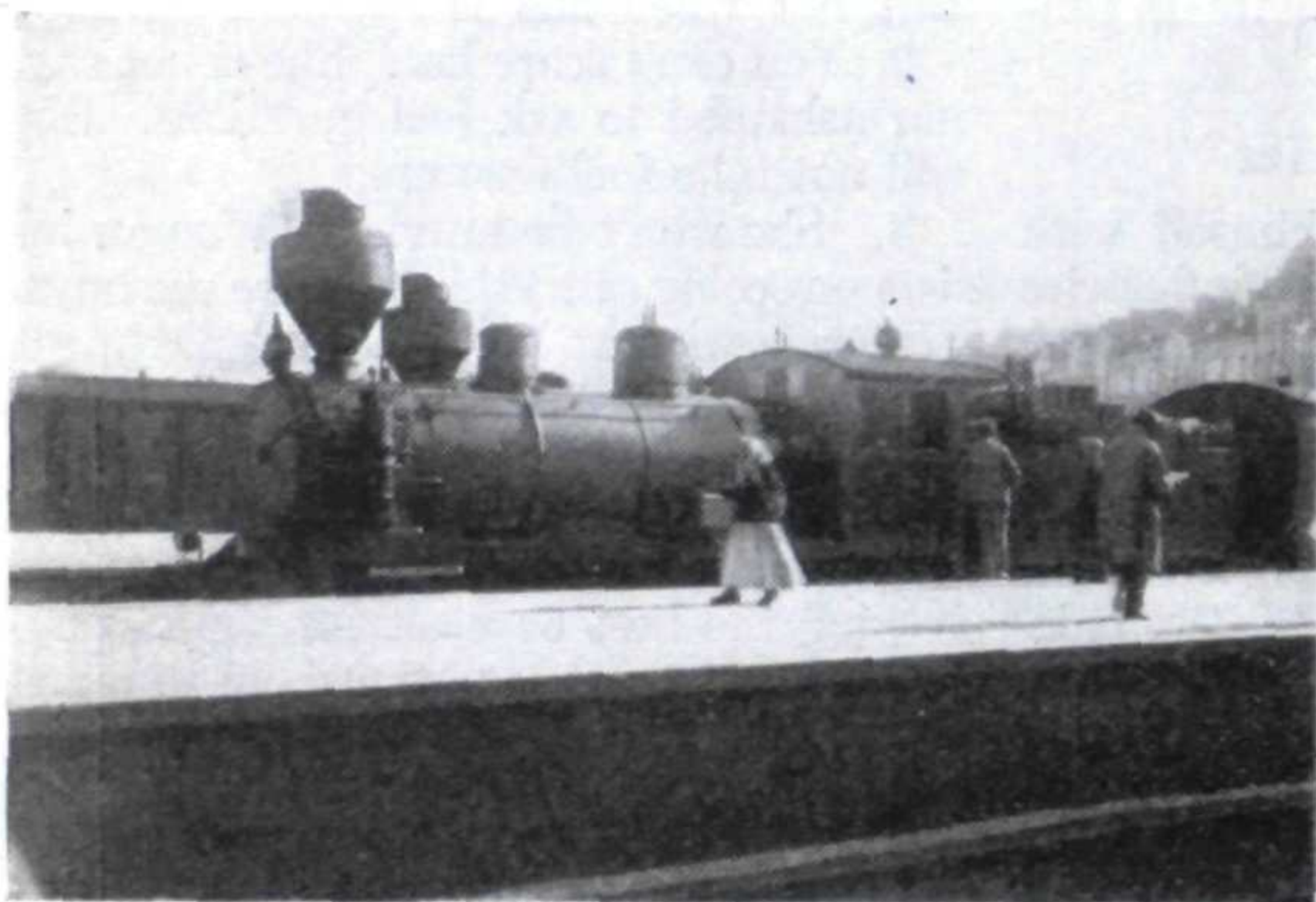




Girl water carriers doing work that pipes should do give one reason for high industrial costs in Russia



Even in the smallest villages of Soviet Russia there is vast interest in American agricultural machinery



The Russian market for new equipment is indicated by this antiquated but typical railroad locomotive



Motorists in Russia often attract unfriendly crowds, in spite of the fact that cars are for official use only



What of machines and management

## Russia and Italy on America's

By WHITING

Illustrated with snapshots

**L**AST summer among the factory workers of North Italy and the coal and steel laborers of Russia's Pittsburgh district in the Don Valley near the Black Sea, the direction of these newest and strangest winds of our modern political and economic world was indicated by such straws as these:

"Can you not, signore," whispers your waiter in a Milan sidewalk restaurant, "tell your consul here that I am your servant, and so get me out of this jail of a land into your wonderful country?"

"But," exclaims your Italian train companion, "some day—and soon!—you rich Americans will use up all your raw materials. Then you and your pride and wastefulness will be driven from the world's markets by us—us and our self-sacrifice and economy!"

"Our guests," so reads the notice in every Swiss or French resort near Italy's borders, "are earnestly requested, in the interest of international amity, to refrain from climbing mountains in the direction of the Italian frontier."

"Americans? Really!" exclaims the Russian peasant woman in a small village outside Moscow. "Always have I seen you people in the movies but never did I dream to see you in the flesh! I shall not sleep this night!"

"Today the Russian people," explains a former clerk, now distrusted and demoted by his communist superiors, "have a better chance at development than under the Tsars. But, but could you not, sir, consider taking my bride along with you to America as your wife? I will then join her as soon as I can slip past our borders."

### Business Class Is Hounded by Police

"**T**ELL him," urged a Leningrad housewife, after I had delivered a verbal message from her husband, a refugee from Russia several years before, "to stop writing me of his profits and success; and also never to use the printed envelopes which show he is a merchant. As long as these come, the police here will hound us as members of the despised business class and keep my daughter out of the unions and so out of a job!"

"Does the ring of capitalist enemy nations around us," queries fearfully the group of miners in the little coal town, "plan to send its armies here before Fall?"





This office building in Kharkov, capital of the Ukraine, bespeaks industry

under Mussolini and the Soviet?

# Pin Their Hopes Ways of Work

WILLIAMS

taken by the author

"How soon," they inquire when their fears of immediate attack are quieted, "will the workers in America overthrow your Government?"

It is not chance that carries so many of these Russian and Italian straws toward the borders of outside nations, and especially toward America. For the kernel of both these astonishing experiments is such a tying together of a man's pay check to his vote (if any) and to his tax receipt—of his work boss to his ward boss—as has never before been seen outside of slavery.

## A Case of Minority Rule

SUCH a daring and astonishing combination can be pictured only if we imagine that here amongst us, tomorrow morning, some small political group should take over control of every employment bureau, as in Italy, or of every enterprise, as in Russia, and thus come to have the final say-so on every job—not only in every State House, City Hall, and village post office, but also in every steel plant, grocery store, hotel, barber shop, and hot-dog stand. And furthermore to grant permission to no one, except under especial circumstances, to leave the country!

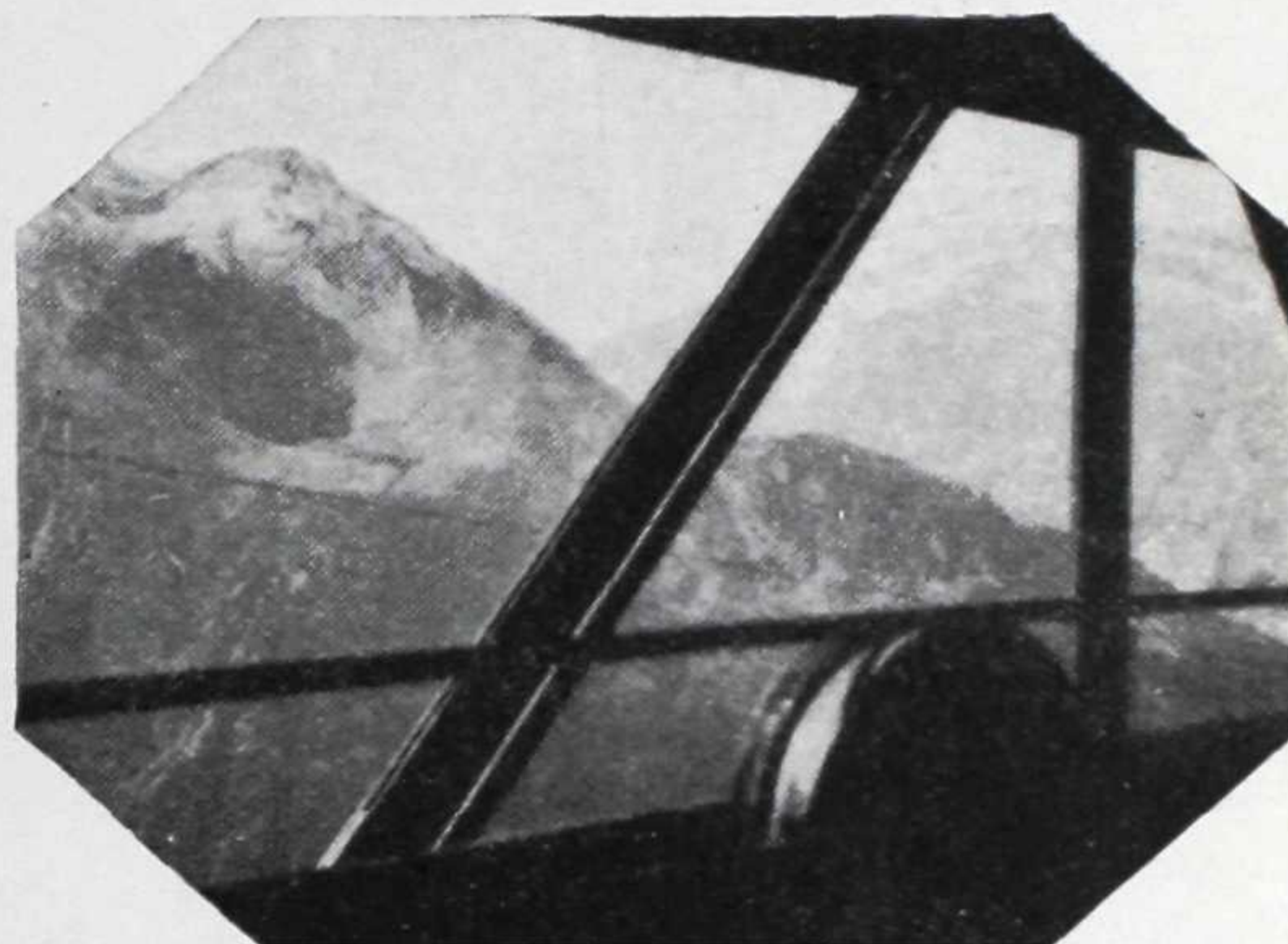
This being so, it follows that final success for both these governments comes to be a matter, not of mere political strength, but of nothing less than extraordinary business sense—of high-powered commercial, industrial and managerial expertness. Naturally enough, it follows further that the outcome possesses particular interest for all of us in that country which is known as the world's most successful industrial nation, and is for that reason disliked in Italy, though, for the same reason, all but worshipped in Russia.

Of course, we are by no means the only outsiders concerned. No civilized country but knows that upon the ability or non-ability of these two nations to direct their vast business undertakings hangs the possibility of world-wide wars and revolutions.

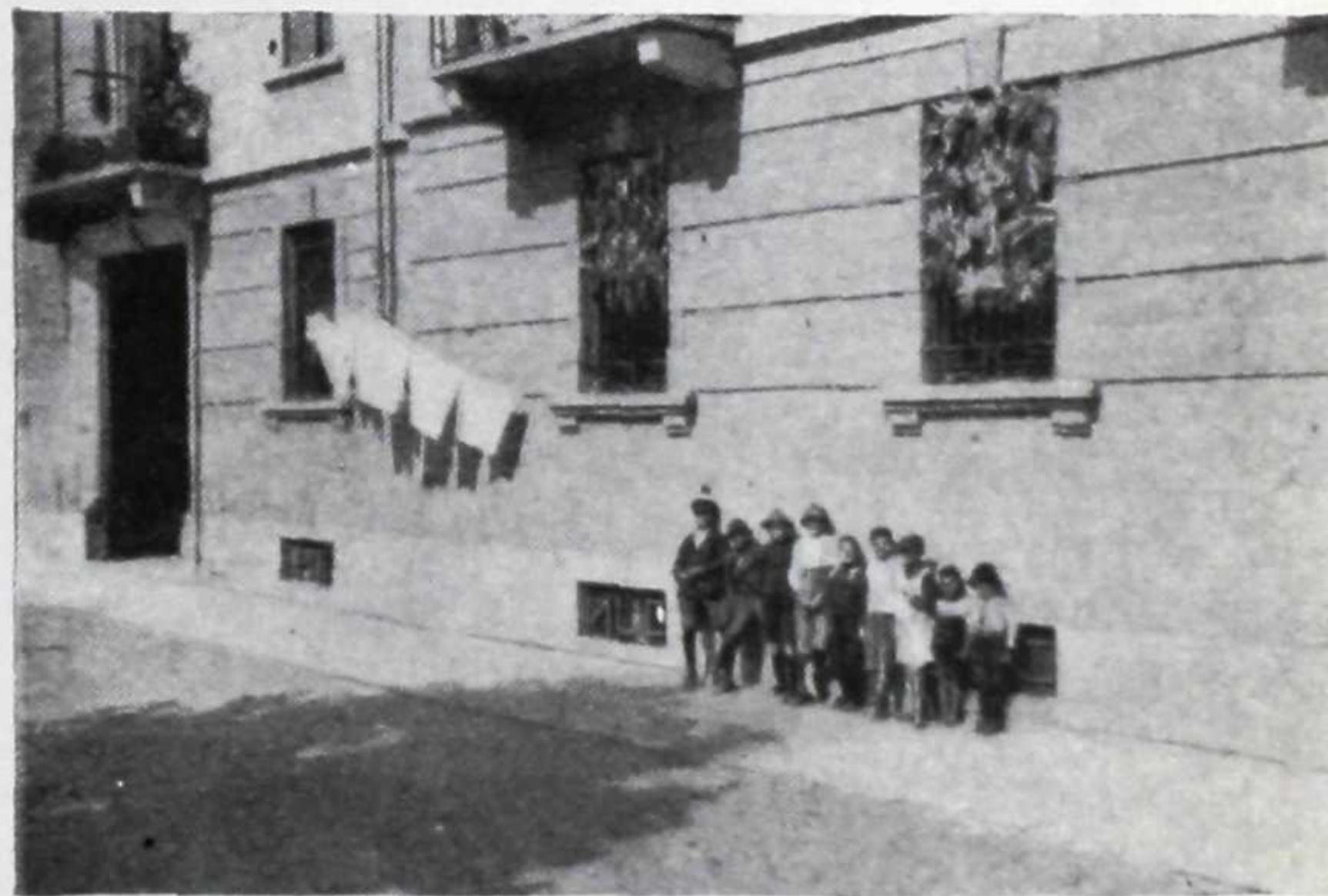
If, for instance, Italy's Fascist labor leaders and factory managers cannot get together and decrease production costs so as to put Italian goods in foreign markets in spite of the burden of a lira which Mussolini has stabilized at the extravagant level of five cents, what is going to happen? If, in addition, the various municipalities should (Continued on page 92)



Skilled workers in a Milan machine shop gather during their luncheon hour to pose for Mr. Williams



The largest iron mine in Italy is high in the Alps. An aerial conveyor carries the ore to the furnaces



The Duce has local municipalities "make work" by building such modern tenements as this in Milan



These grape gatherers, part of Italy's large agricultural population, are little interested in dry laws





## IX. The Spirit of Brooklyn

*An Etching by Anton Schutz*

THIS view of the throbbing business heart of Brooklyn shows the change since the Indians held the land.

Number 16, Court Street, on the right, is the highest building in Brooklyn. Behind it and reaching to its second set-back is the old home of the Brooklyn Chamber of Commerce. The tall building in the rear is the Chamber's new home. On the left, the building with the Athenian temple facade and the larger building behind it are the old and new Borough Halls



# Insure for Life as Well as for Death

By M. A. LINTON

*Vice President, Provident Mutual Life Insurance Company of Philadelphia*



**T**HE basic conception underlying life insurance is remarkably simple. The policyholder pays the life insurance company a premium every year and in return the company agrees to pay a certain sum at the death of the policyholder. It is a straightforward arrangement that sounds similar in principle to fire insurance.

However, there is one basic fact about life insurance that makes it much more complicated. It is the fact that the risk of dying increases steadily as the policyholder grows older. In spite of this increasing risk the premium which the company receives remains the same from year to year.

Under a fire insurance policy the risk normally remains the same from year to year. If for any reason it should increase, the fire insurance company has the right to cancel the policy, and the policyholder, if he wishes to continue the protection, will have to pay a higher premium.

One of the consequences of the increasing death rate is that the life insurance company must set aside a portion of the premium and build up a reserve fund to help meet the claims that are certain to be encountered in large volume later on. Another way of expressing the principle is this:

The premium that is paid for the life insurance policy is composed of two elements, an investment element and a pure protection element. The investment element builds up the reserve, and the protection element provides the sum that must be added to the reserve to pay the claim in full when death occurs.

Although protection against the con-

**ENTIRELY too much life insurance has been sold as death insurance. The policyholder has been unaware of the way insurance could help him realize the plans he cherishes. The investment element is what makes possible the larger use of life insurance**

tingency of death is the primary function of a life insurance policy, entirely too much life insurance has been sold exclusively as *death* insurance. The policyholder has been unaware of the way life insurance could help him to realize some of the plans he has cherished for his own future.

## Insurance Is an Investment

**T**HE investment element, which exists solely because of the increasing death rate, is what makes possible this larger and more attractive use of life insurance.

The normal objective of all of us who have to earn our own living is a career of constructive service followed by an old age for which adequate provision will have been made from the surplus funds of earlier years.

As premature death is ever a possibility, we should also make provision to protect our families should we not live to realize our plans. How should this balanced program be carried out?

Should the savings plan and the protection plan be separate and distinct, or is there a way by which they can be combined satisfactorily in some unified ar-

rangement? Obviously one way of accomplishing the program is to make a regular investment of surplus funds year after year, so that a given sum will have been accumulated say at the age of 65.

During the intervening years, life insurance on the term plan may be carried.

This kind of insurance resembles fire insurance in that it is usually for a short period and if the period expires without a claim having been incurred, the policy has no further value.

As the separate investment fund builds up, the term insurance protection can be reduced accordingly, so that in the event of death, the estate will have available the given cash sum that the policyholder believes will be adequate to provide for his family.

For example if that sum should be \$25,000 and in a given year the amount of the accumulated investment fund should be \$10,000, the term insurance for that year could be made \$15,000.

Another way to provide the \$25,000 protection and at the same time have a fund available at the age of 65 is to take a regular life insurance policy on say the whole life plan.

In the event of death the \$25,000 will be immediately available. And in addition the company guarantees that the policy will have a definite and increasing cash value as the premiums are paid and the reserve element accumulates.

The two programs therefore provide practically the same protection and it is our purpose to compare them from the point of view of the average man.

Should the investment and protection elements be separated in distinct programs



or should they be combined in a single program as in a life insurance policy?

Is it wise to intrust the investment element to the life insurance company? What about the security and availability of the principal that is thus intrusted? Will the income return be adequate? What about taxation?

These and other related questions press for answers.

The first question we will consider is that of security of principal. It is doubtful if anything short of an obligation of the United States Government will exceed the security offered by a well managed life insurance company. This security arises out of the diversification of the risk over an extensive list of conservative investments.

We sometimes hear the statement, "I can invest my money just as well as the directors of your company can." That may be true. The point need not be argued. The question is, can the individual investor obtain the security afforded by the law of average?

Suppose for example that he has a \$10,000 cash value equity in a life insurance policy in a company which has 10,000 different investments. He will then have the equivalent of a very small sum invested in each of these 10,000 conservative investments. The law of averages will stabilize the entire group.

#### Diversified Investments

**I**N essence, when a man intrusts his money to a life insurance company, he purchases an interest in the company's entire list of securities. For that reason the life insurance contract affords far greater security than can be achieved by the individual who invests directly in the usual investments—stocks, bonds, mortgages or real estate.

The purpose of investment in life insurance usually relates to the well-being of a man and his family many years hence. If the investment is through channels other than life insurance, he runs a much greater chance that something will befall his program and leave him disappointed and disillusioned in the later years of life when it is too late to retrieve mistakes.

How trivial then, in the retrospect, will appear the difference of a per cent or so in interest return as compared with the possession of an unimpaired principal!

Along with security, it is also well to consider the probability that a given program will be carried through to completion. When a man combines his investment and insurance plans under a life insurance policy he becomes subject to a continual urge to maintain the program intact.

His premium payments recur with unfailing regularity and after allowing for reasonable latitude through the one month's grace period, must be paid when due. The company does its best to keep the policy in force. Furthermore, the policyholder has an incentive to continue making premium payments because default will mean a sacrifice of protection.

The pressure of modern life is so great that there is a continual temptation when

funds accumulate in a savings bank or in an investment fund, to use the accumulation for some temporary, unimportant purpose. It may be a new automobile. It may be a trip abroad. It may be for any one of the hundred other things which today are clamoring for our dollars.

Within reason, these calls are legitimate. On the other hand they should not be allowed to interfere with a properly balanced program looking forward to the needs of old age, a program such as life insurance provides.

Another phase that is favorable to the life insurance program is the freedom from the reinvestment problem. Under the usual investment program securities mature and the principal must be reinvested. There follows the question of selecting a new investment of proper quality. It is obvious that the more often

this selection must be made, the greater the probability that a mistake will occur.

On the other hand the life insurance accumulation pursues its steady course year in and year out, affording a security as near perfect as human ingenuity can devise.

#### Income Is Compounded

**S**TABILITY of income is a consideration second only to security of principal. As a producer of income, life insurance differs materially from other investments. The income from the accumulation of the investment element in the premiums is not currently received by the policyholder. Instead it is retained and reinvested by the life insurance company. When the contract matures, the policyholder receives his principal with the interest that has been earned upon it.

## Business Men You Have Read About



#### SELLS POWER

His job is selling power to Greater New York, as head of the New York and Brooklyn Edison Companies. He is Matthew S. Sloan, a National Chamber director. An engineer, he has proved himself a first-rate executive



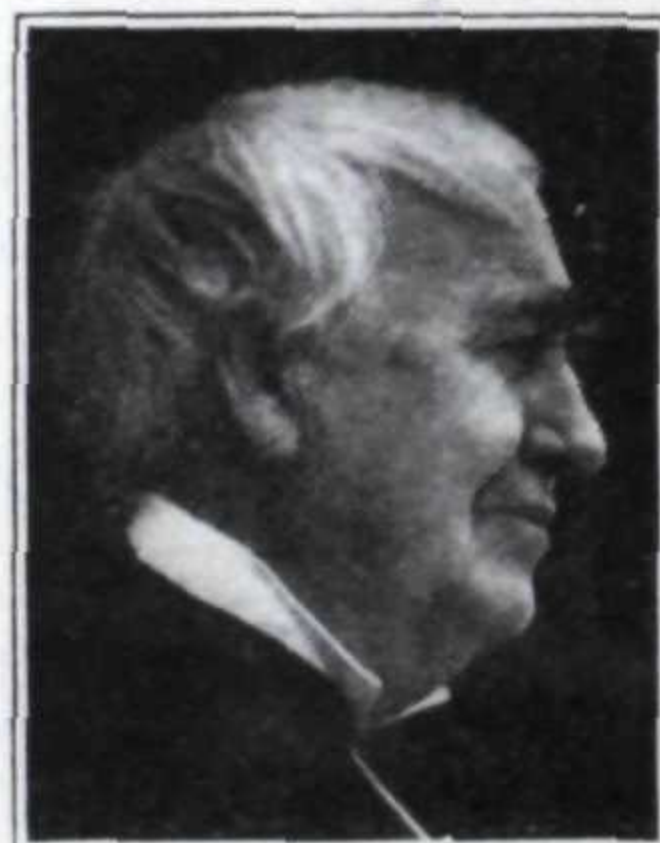
#### SKIDS AND LIFTS

Walter C. Stuebing is working for better handling of bulky materials in transit, as chairman of the Committee on Simplification of Material Handling Equipment. President, Stuebing Cowan Company, Cincinnati



#### AIR LINES

Gen. W. W. Atterbury, president, Pennsylvania Railroad Company, is the first rail man to make practical use of air travel as an adjunct to a rail system. The Santa Fe and B. & O. are among other pioneers in "air rail"



#### HONORED

Edison, of course. Because he is illuminating the path of progress and remaking a civilization, he wins a Congressional medal. At presentation, England returned first phonograph, loaned forty-five years ago



#### NEW DIRECTOR

When you drink milk or eat an egg, you may be sure that some of this man's dairy machinery has aided the distribution. He is W. L. Cherry, of Cherry-Burrell Corp., Cedar Rapids, Iowa, and new U. S. Chamber Director



#### CHAIN GROWS

M. B. Skaggs is the operating head of Safeway Stores, cash-carry grocery chain which recently added the Sanitary Grocery, to bring its total of stores to 1,300, and meat markets to 300. Headquarters are in Baltimore



It is not current income with which the policyholder is concerned. He is earning his livelihood and is primarily interested in systematically building up an estate against the needs of later life. This the life insurance contract accomplishes, and with the help of *compound* interest.

Marketability and value as collateral are other important considerations. As we have seen, a policy of life insurance on the ordinary life or higher premium plan, involves a combination of protection and investment elements. Hence, in considering life insurance as an investment, allowance must always be made for the protection element. When this element has been subtracted from the premium payment, the balance is the investment element that is subject to the investment tests.

The marketability of the accumula-

tions arising out of the investment element in a life insurance contract is unique. The policy contains a guaranteed cash value payable at par and in practice upon demand. Even in times of panic the current income of a life insurance company so far exceeds its current outgo that it can meet a large demand for funds without being forced to sacrifice securities.

### Insurance Has Stability

**S**UPPOSE, for example, that in the strenuous deflation days of 1921 a policyholder had had a \$25,000 policy upon which the cash value was then \$10,000. This \$10,000 would represent the entire principal and some interest on the investment element in the premiums he had previously paid.

Suppose at the same time he had had in

his strong box \$10,000 in par value of Liberty Bonds which he had subscribed for at par. If he had been in great need of \$10,000 cash, he could not have obtained that sum by means of his Liberty Bonds, in spite of the fact that they represent the premier security of the world.

As collateral they would not have been good for a loan of \$10,000. If he had sold the bonds in the open market he might have received less than \$8,500.

In striking contrast, consider the life insurance policy. First he could have gone to the company and obtained a policy loan for the full amount of \$10,000 at the rate of six per cent as guaranteed by his contract.

This loan would have been made without publicity or delay. It could have been repaid in part or in full at any time and the company would have had no right to demand repayment. The net protection under the policy would have been reduced to \$15,000 but he would still have had that much protection left. If he had been in a position such that he could not have continued premium payments, the policy could have been surrendered outright for the cash value of \$10,000.

In times of stress a substantial equity in a life insurance policy is without a peer as a source of ready cash.

### Consider Tax Exemption

**T**AX exemption must be considered, too. Since life insurance ordinarily produces no current income, it does not, while in force, subject the policyholder to taxation.

If upon maturity or cash surrender he receives more than the total amount he has paid in premiums, the excess when received is taxable as income under the federal income tax law. If the policy becomes payable by death an individual beneficiary will pay no federal estate tax upon the first \$40,000 of such proceeds.

In most states, the proceeds will also be free from inheritance taxes.

From still another standpoint, that of exemption from care, the life insurance policy is almost without a competitor. All the policyholder has to do is to pay his premiums when he receives the company's notices.

He need not worry about the state of the market or wonder whether this or that mortgage is still good. The investment burden is completely assumed by the insurance company.

A test that is frequently employed in appraising an investment program is that of potential appreciation. Although the investment element is, as we have seen, guaranteed against depreciation it is not subject to potential appreciation.

If a man must have the possibility of principal appreciation, he must keep the investment element in a separate fund. In making separate investments, however, he cannot avoid the risk of principal depreciation. The two are inseparably linked.

Lastly we have the matter of fair income return. In the minds of many in-

(Continued on page 78)

## In the Passing News of the Month



**BULLISH**

We shall soon see ten-million-share days, says W. C. Durant, president, Durant Motors, Inc. He adds that stock prices aren't as high as they're going, because they have been too low before. And loans will increase



**GOVERNOR**

A business man will take over the reins of Wisconsin's government when Walter J. Kohler of Kohler, Wis., is sworn in as governor. He is president, Kohler of Kohler, one of the largest of plumbing manufacturing firms



**CLIMBS**

A lifetime of service with the Union Pacific has brought William M. Jeffers, of Cheyenne, to the vice presidency. He served in the operating end, being call boy, telegrapher, clerk, timekeeper, dispatcher, trainmaster and up



**CREATES HABITS**

Dr. J. B. Watson, father of behavioristic psychology, used to teach at Columbia. Now he is vice president, J. Walter Thompson advertising agency. He puts scientific training into the creation of new buying habits



**IN FOR QUALITY**

One of the country's spectacular chain store magnates is D. A. Schulte. His varied chain interests include tobacco, groceries, candy, five and tens, real estate, drugs. Now he purchases a high quality grocery chain



**MAKES GIFT**

Oscar F. Grab, of New York, gives his successful women's garment business to fourteen faithful employees, and retires. Now he is in business again, as a bank president. Basically, all businesses are alike, he claims

\*\*\*\*\*



Romance holds its own amidst  
the new giants of the Lake trade

# Dinosaurs and Dumpers

By BERTON BRALEY

Illustrations by Earl Horter

*Mr. Dock-walloper's losing his wallop,  
Toiling no more in the dirt and the grime,  
Gigantic unloaders efficiently scallop  
Seventeen tons from the hold at a time.  
Mr. Dock-walloper's handling the bucket,  
Mr. Dock-walloper runs the machine,  
"Making it snappy" and perfectly happy  
Resting his back while he's using his bean.*

**H**OW MUCH you got this time?" asked the dock foreman, as the *Horace B. Salter's* winches brought her against the fenders on the concrete wharf, and the donkey engine began opening the telescopic hatches that stretched clear across her decks.

"Nine thousand, nine hundred accord-in' to the manifest," said the captain of the *Horace B. Salter* of Duluth, leaning out of the pilot house. "And I got a date for lunch. After that I figgered I'd drop into a movie and—"

"Figger again," the foreman advised. "You're due at Sandusky for a load o' coal soon's we yank this ore outa your canoe."

"Never no rest, never no sleep," complained the captain, coming down the steps and climbing over the gunwale to the pier. "It's ten o'clock now. What time do I have to be back on the bridge again?"

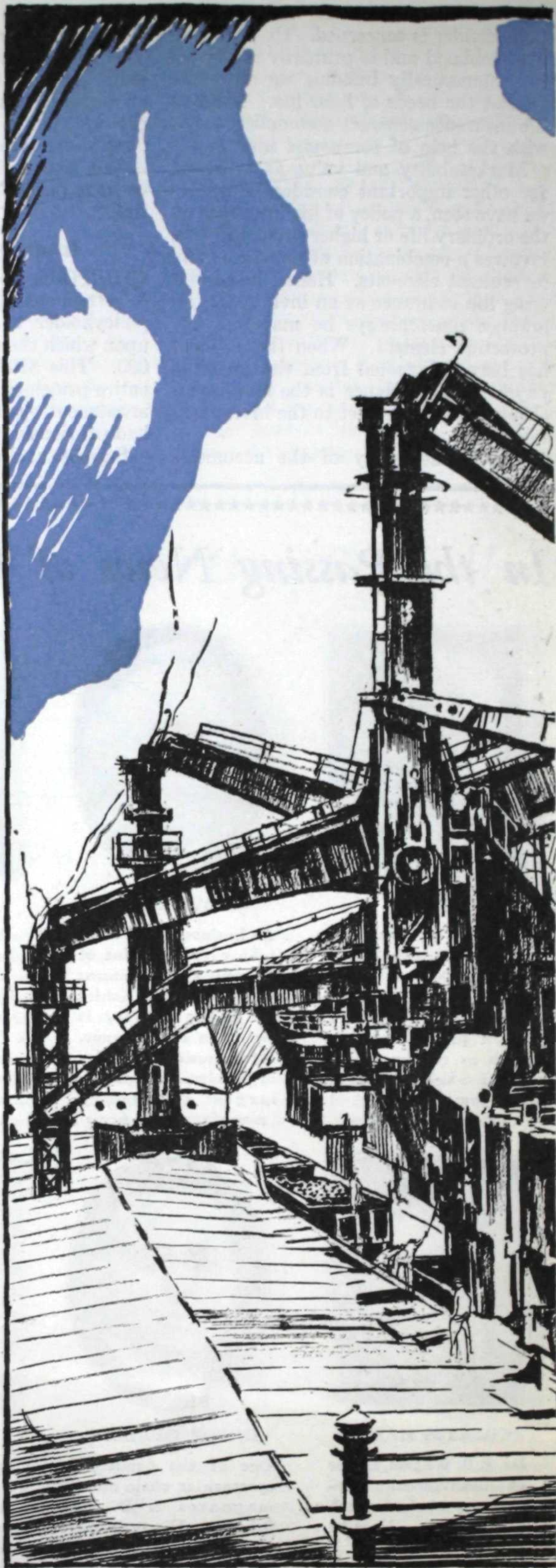
"Well, soot yourself, as the chimney said to the chimney sweep; you're the captain. But we'll have your rowboat scraped clean by two-thirty. Mebbe by two."

"Never no sleep, never no rest," the captain repeated. But he had to shout, for high over his head there was a deep

rumble as the walking beam of the unloader dipped toward the ship and the vertical leg, with its huge seventeen-ton bucket on the bottom plunged through a hatch into the ore. "Sometimes I think you dock-wallopers speeds up just to spoil my day in port. Thirty-five years ago—"

"Thirty-five years ago you'd of had three days or maybe a week to loaf in while we took out three, four thousand ton of ore," shouted the foreman as the manganese steel lips of the two bucket trays bit into the ore with a hungry roar, "but you wouldn't have no more salary for the three days than for this one. You should worry how fast my hoisters work!"

"I'll be back at two,



But this thousand-ton monster has  
leg and just above the clashing  
cabin in which the operator plays





a human brain. Down at the bottom of each vertical buckets that take seventeen-ton bites of ore is a tiny on four electric switches as an organist plays his stops

then," said the captain. "But if you keep me waiting more'n half an hour—"

The noise of the nearest descending bucket drowned the rest of his remark.

The four unloaders at the dock looked like great seesaws balanced on huge irregular-shaped car trucks. Over the ship, at one end of the hundred-foot seesaw or walking beam, hung the square "vertical leg," some 60 feet long. It was kept vertical by what is known as the "leg brace" a steel girder hinged to the truck or trolley which carries the walking beam.

The walking beam, when horizontal, stands about 50 feet above ground level, but it can plunge downward 30 or 40 feet so that the buckets on the end of the vertical leg can scrape bottom of any ship, and it can swing the buckets up and out of the hold and over the hopper that leads to the scales and the larry car. And unless you look closely when it's at work you'll think it's some tremendous prehistoric animal gobbling ore out of the hold of its own volition.

#### Monster With a Human Mind

**B**UT this thousand-ton monster has a human brain. Down at the bottom of the vertical leg and just above the clashing buckets that take seventeen-ton bites of ore is a tiny cabin. And in that three-foot square box is the operator, or hoister. The nerves that answer his direction are electric nerves controlled by four switches that he plays on as an organist plays his stops. And according as he plays those stops the dinosaur's snout roots in the ore, swallows it, lifts it out of the hold, and spews its great crawful into the disc hoppers that wait for it.

The hoister can, from his tiny cabin, run the whole dinosaur back and forth on its squat trolley body. He can run it along from hatch to hatch. He can whirl that vertical leg as a ballet dancer whirls on one toe, but he isn't paid for pirouetting, he's paid for getting out ore. Well paid—and worth it, for he and this mechanism do the leg, arm, back and thigh work of hundreds of men.

Shouted Hoister Number Two to Number Three as they swung up out of the hold simultaneously.

"What's a matter with that baby of yours? Got hook worm or something?"

"Oh, you're workin' today, are you?" replied Number Three. "First I seen of you. Thought mebbe you was hibernatin'. I'm gonna send my kid down with his sand shovel. He could show you how to unload ore."

"Must be you learned from him," said Number Two. "Bet I bucket more rock than you do."

"Let's go," said Number Three. They



were already digging, hoisting and dumping nearly a bucket a minute, for to unload 9,900 tons of ore in four hours each unloader has to average three buckets every four minutes—and that takes account of the final cleaning-up process which requires half the total time.

But with "Let's go" the great dinosaurs burrowed and rooted and belched forth their gobblings even more swiftly, and Numbers One and Four caught the contagion.

Under the hoppers into which the dinosaurs spilled the rusty ore, the larryman weighed it as it slid into the larry car. And when he had a full load he touched a lever, the car slid along its suspension track over an ore car which the electric "shunt" had pushed into place.

Loaded, the shunt moved the car on and brought up another. And fast as a train of cars accumulated they puffed away to the steel mills to be made into rails and steel cars and unloaders and ships to bring more ore. Also into buildings and bridges and ten thousand of the other things that make this age what it is.

### Song of the Ore Grabbers

AND if you happen to be listening with a sort of inner ear to that rumbling tumult of the four unloaders gobbling ore out of the *Horace B. Salter*, it might have formed into words something like these:

We weigh about a thousand ton  
And we're a thousand men in one  
And several hundred more.  
The power of a thousand horse  
Is where we get our drivin' force  
In goug'n' out the ore.

So shake a leg, an' shake a snout,  
We gotta clean this vessel out.

For we're a thousand men in one,  
We gotta get our labor done.

At a quarter of two Hoister Number Two and Hoister Number Three were dusting up the last of their hatches. Flipping control switches up and down as though he had four hands, Number Three, for instance, would swing his buckets to one side of the hold, open the huge trays, sweep a ton or two of ore together, whirl the other way and sweep a half ton more, close the trays with a clang and swing it all over to the pile on the other side. Back to where four shovelers had scraped up a few more pounds, he picked it up in those steel jaws and swung it to the main pile. There he

dug up a load, soared aloft, dumped it in the hopper and swooped down again to scrape, dust, and sweep with that seventeen-ton bucket and its thousand-ton mechanism as a housewife dusts and sweeps in corners.

So when the captain climbed to his deck—for his ship rode 15 feet higher than before—at two o'clock, there was hardly enough ore dust in his hold to make a cigaret lighter.

And Hoister Number Two said to Hoister Number Three as they climbed out of their cockpits:

"Well, it ain't no record, but 9,900 in four hours ain't to be sneezed at."

"Maybe not," said Number Three, "but I'm bettin' that when they made the record—13,000 tons in three hours and a half with four unloaders—I'm bettin' you wasn't there."

"Is zat so?" sarcastically sneered Number Two.

They had time for nearly ten minutes of this badinage while the *Horace B. Salter* moved out toward the outer breakwater, then, as the *Edmond Liston* of Duluth nosed along the pier, bringing 13,000 more tons of iron dust and rock, they set their patient dinosaurs again at their job.

Meanwhile the sturdy 1,800 horsepower triple expansion engines plugged the *Salter* along on her way to Sandusky, the captain left the bridge in charge of the second mate, and descended to his suite.

Seeing the first mate outside he called him in.

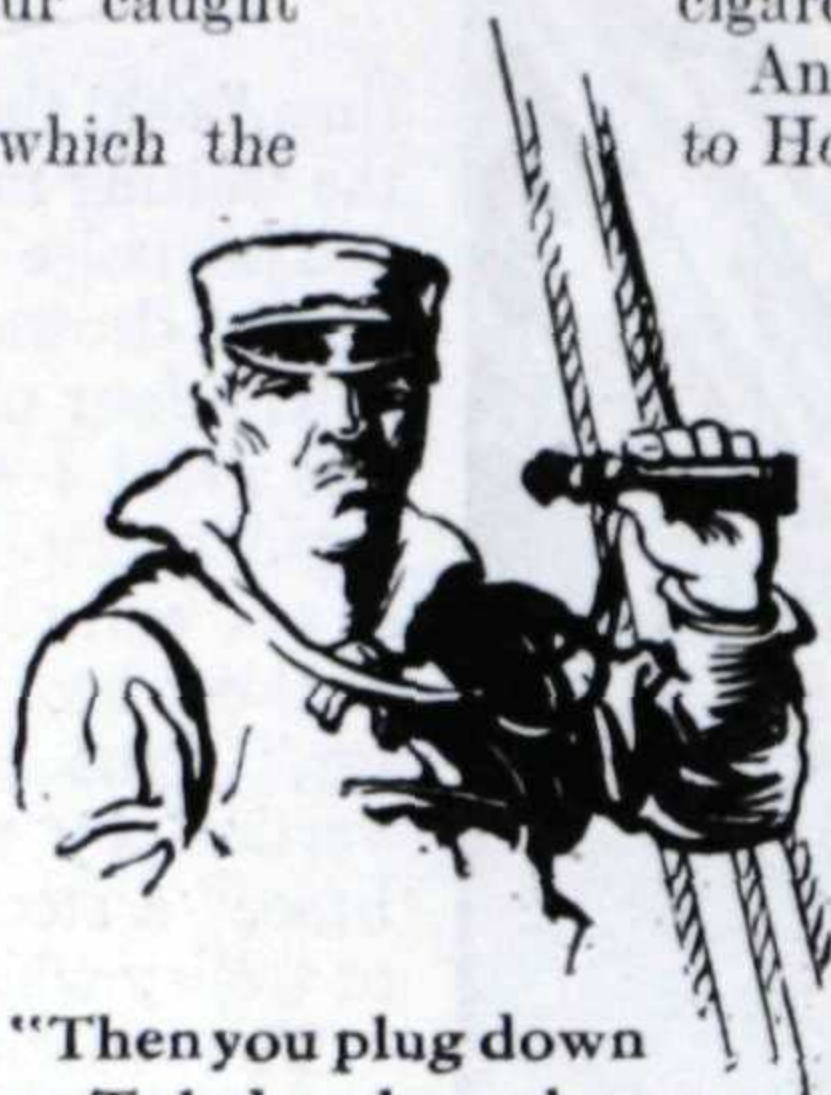
"Sit down and rest your feet," he said. "You might as well talk to me as moon around that deck."

"I don't know what I'm gonna talk to you about," said the first mate. "I'd rather read a book only I ain't got a book."

"I've got a book," said the captain. "It's a great book, too. 'The Three Musketeers.' J'ever read it?"

"Never read smutty books," said the mate. "I got a wife and fam'ly."

"This ain't smutty," said the captain. "This is about some French guys that had all kinds of adventures. I like to read stuff like that."



"Then you plug down to Toledo where they yank that ore out"

"Like to read about some of them old sea captains, too. Guys that sailed square riggers round the world and brought apes and ivory and silks and spices from the Far East. Them was the days. Different from pushing an old ore tub from Duluth, unloadin' at Cleveland or Toledo an' comin' back with coal to Duluth again. Something romantic about them old-timers."

"Yeah," said the mate. "Well, me, I like these days pretty good."

"It's more romantic to me to have a bath in my quarters than it was to wash in a basin and bathe in the Maumee River—when we got there."

### Romanticism and Ore Boats

"WHAT you grumblin' about, anyway? I ain't one of these here dreamers or poets, but as the feller says, I got a little imagination. And lookin' at it that way you got a real romantic job."

"What!" snapped the captain. "Ferrying ore from Duluth to Cleveland and coal from Sandusky to Duluth romantic?"

"Well, listen, Cap'n. They're diggin' that ore on the Mesaba and loadin' it onto your tub out those chutes in mebbe an hour. Nine, ten thousand tons in an hour. Ain't that kinda romantic when you figure machines is doin' it all and no hunky's breaking his back over a shovel?"

"An' then you plugs down to Toledo and they yanks that ore into cars in four, five hours—machines again and nobody sweatin' much. And where does that ore go from there? Down to the mills where it's made into steel, and then shaped into everything from girders to watch cases and razor blades. Ever think what would happen to the old U. S. if you and these other ore boats weren't ferrying up and down the lakes? No motor cars, no skyscrapers, no locomotives, no trains, no dynamos, no telephones—no nothin'. Stop this ore and you stop everything. Say, old timer, the job you and the dockmen are doin' is a regular bulwark of civilization—and you think you ain't romantic. Hey! Hey!"

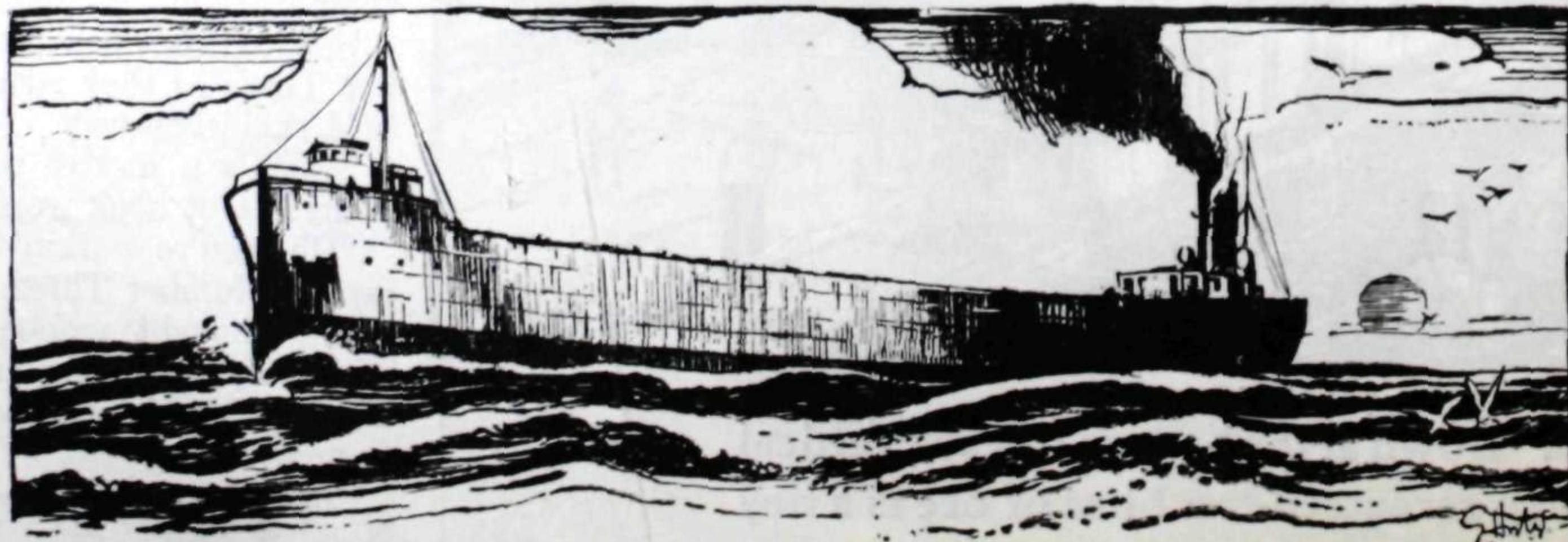
"You may be right at that," said the captain. "A thing don't have to be pretty to be romantic—though most people look at it that way. Take a car dumper now—"

So we'll "take a car dumper, now." We'll take the car dumper that loaded the *Horace B. Salter* at Sandusky.

Car Number 123,462, capacity 200,000 pounds, was new, shiny, and—to the extent possible for a coal car—apprehensive.

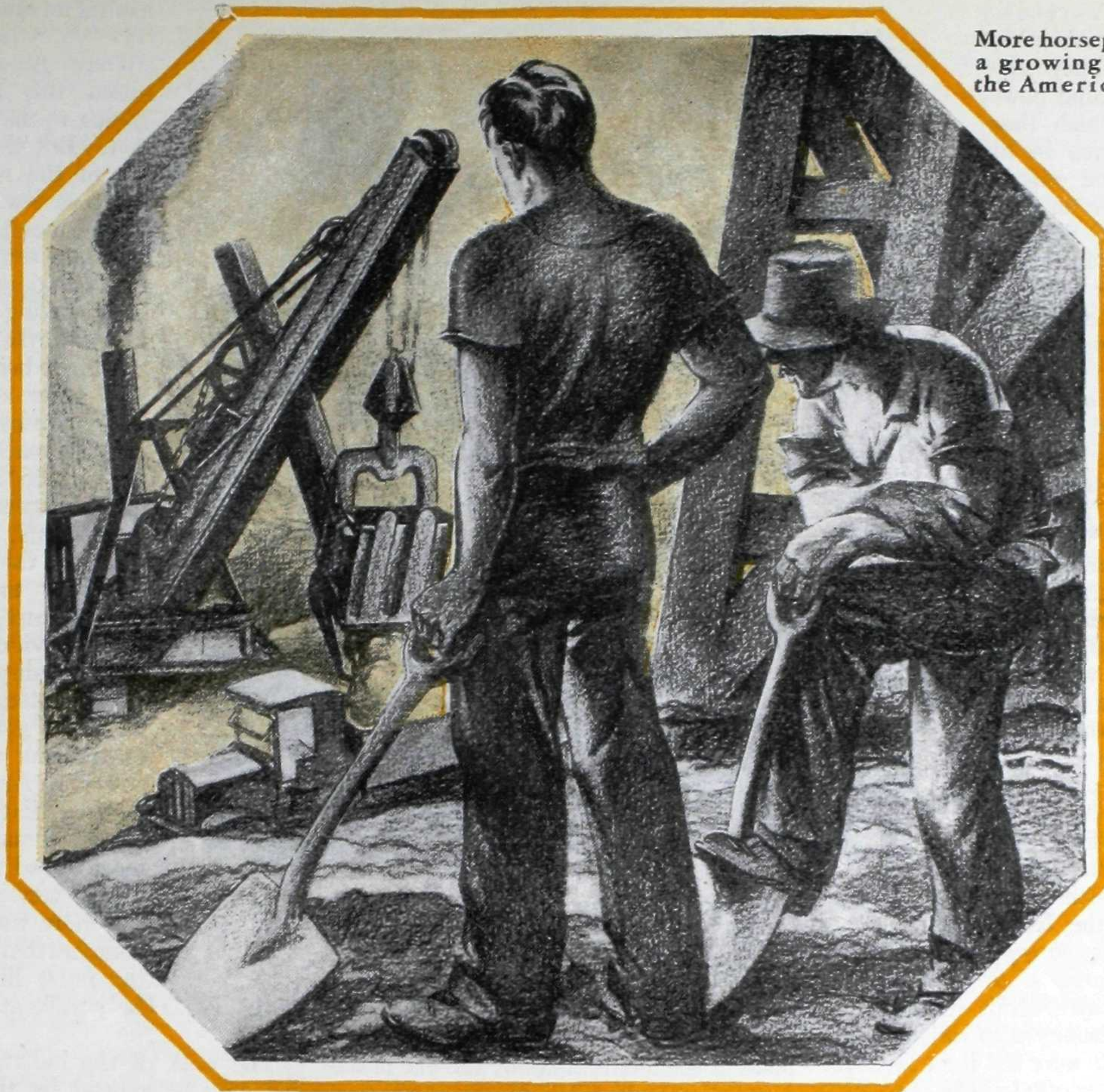
Next to it in the string that was being shunted to the top of the hump

(Continued on page 139)



"A thing don't have to be pretty to be romantic"





More horsepower means  
a growing output for  
the American worker

# A Look Back—and Ahead

By JOHN HAYS HAMMOND

Illustrations by Sydney E. Fletcher

**T**HE most astounding fact in the world today is the existence of this homogeneous people here in America, 120 million strong, all speaking the same language, living at peace with their neighbors, and sitting with such a lapful of the bounties of the earth as no other group has known since time began.

No people was ever before housed so well, fed so well, clothed so well. Never before was a people provided with conditions so favorable to its health. No other people ever was given such opportunities for education, entertainment, travel—for an enjoyment of the better things of life.

This is said not vaingloriously but rather in the spirit of grateful appreciation—lest we forget. For prosperity such as ours brings with it not only privileges but also responsibilities and obligations. And one

**OUT OF HIS** wealth of experience in our own and foreign lands—experience that lends him an authority possessed by few others—John Hays Hammond here takes a penetrating look at our changing world. He reveals a cross-section of novel pattern and gripping interest

of its greatest blessings is that it enables us to extend a helping hand to nations less fortunate.

It has come to pass, in fact, that while Utopia for 120 million people has not arrived, it is in the offing. But it is true that we do not fully realize our advantages and that many of us have become blasé and forgetful.

The American wage earner, for instance, will appreciate the more readily his situation today if he compares it with

that of yesterday and that of other lands.

The average worker in the United States, exclusive of farm laborer, now earns \$2.30 where he earned \$1.00 in 1913. He gets three times as much today as he got in 1900. The farm laborer gets two and a half times as much as he did when the century dawned. The

bricklayer's wage has multiplied itself by two and a half in the past 15 years. The carpenter in Chicago, who 15 years ago got 65 cents an hour, now gets \$1.50; the painter in Pittsburgh, who got 55 cents, now gets just three times as much, while the plasterer in Jacksonville has seen his wage climb from 56 cents to \$1.75.

It may be objected that the cost of living has increased as rapidly as wages, due to the decreased purchasing power of the dollar. The Department of Labor,



however, has carefully worked out the facts in this connection. They show that the purchasing power of wages for which there are known figures in the years enumerated was 23 per cent higher in 1923 than in 1913, 33 per cent higher in 1924 than 1913, and 37 per cent higher in 1925, which is the last year for which statistics are available.

This increase occurred despite the fact that the working day has been considerably shortened.

### Real Wages Increased

**S**INCE that time, however, prices have steadily gone down while wages have not, so it is probably true today that wages buy 50 per cent more than they did before the war.

There are fundamental principles back of the improvement of labor conditions. In the first place they apply to the laborer himself. In South Africa I used to see the Kaffirs come to the mines to work. They came because a desire had been created within them. They wanted to earn money with which to buy cattle. The cattle were not their ultimate objective. They wanted cattle that they might exchange them for wives. Each Kaffir, having accumulated half a dozen wives, might then bask in the sun of prosperity.

The American laborer too has worked because of a desire within him. He has wanted to live better, to give his family opportunity, his children education. He has worked intelligently to that end. His sons have become professional or business men and his daughters are teaching school.

America has held to the idea that it was better to have a shortage of labor than an overabundance. A shortage assured prosperity to all who worked. A surplus meant unemployment and low wages even for those who worked. Thus we have wisely restricted immigration despite expansion of industry.

Labor shortage has stimulated the development of labor saving machines. This has meant, not more unemployment, but an increased per capita production. America has realized that the use of machinery resulted in the creation of more wealth to be divided among a given number of people. It has worked out that America has two or three times as much per citizen to divide as even the most progressive countries of Europe. This condition has grown out of America's genius for organization and quantity production.

Two outstanding ideas which are purely American, and neither of which at first

found acceptance, have evolved during the past decade. One has found lodgment in the minds of labor, and one in the minds of capital. Labor has found that the will to produce is to its advantage. Capital has made the discovery that high wages are to its advantage.

### Our New Theory of Work

**T**HE workman has proved by actual demonstration that the more he produces the more there is to divide and therefore the more he gets. He has found that if he works speedily and effectively he does not thereby rob his fellow of a job, according to the old theory of labor to which the European still clings. On the contrary, he produces and shares in the resulting greater prosperity.

The American employer, on the other hand, has found that it is to his advantage to pay high wages. It has been my experience in operating engineering enterprises in many parts of the world that disgruntled laborers are always wasteful and costly.

They fail to produce and find ways to get revenge for wrongs, real or fancied. In industry there is economy in paying good wages in order that the workmen may be happy and imbued with the will to produce.

But American industry finds it is advantageous to pay high wages for an additional and quite different reason. In a country where every worker gets good wages, a home market is provided for increased production—and the home market is the best of all markets. A general high scale of wages is thus a funda-

mental advantage to industry.

Only America has realized this and had the genius to make use of the fact. But the discovery is one of the reasons for its progress toward Utopia.

In America as nowhere else has the bogey belief that the development of a labor saving machine will throw workers out of employment been laid to rest. The same argument that was advanced when the mowing machine displaced the scythe has been advanced against other improvements, but America has made the maximum use of every mechanical development, and national and individual prosperity have steadily increased.

The outstanding characteristic of modern life is its enormous use of horsepower. In America we have realized that a horsepower is a hired man and that the more hired men an individual can get about him the more work he can get done and that, consequently, the fuller his barn or his

warehouse is likely to be at the end of the season.

The rank of the individual in industry may be gauged by the horsepower that he can command, and the rank of the nation by the per capita horsepower that it has harnessed.

A decade ago someone said that every American, in the power that was subservient to him, was the possessor of 30 servants. So rapidly is he annexing new forces to work in his behalf that it would now be more correct to say he has 50 servants. The farmer in his flivver has harnessed many times the power that the noble Roman applied to his chariot.

In a highly industrialized country like the United States the per capita consumption of energy—coal, oil, natural gas, waterpower—may be 90 times as great as it is in an unorganized community like British India. In the manufacturing industries of the United States each worker is backed by an average of three horsepower, of which two-thirds is electricity. Chiefly because of this power that is back of him and the machines through which it is applied the output per worker is growing larger and larger.

In a recent span of four years it was shown that the output of manufactured goods in the nation increased 20 per cent while the number of factory employees actually decreased.

In the manufacture of pig iron, which is fundamental to industry, the output per worker in the United States increased seven fold in the first 20 years of this century.

In the hundred years from Waterloo to



The generation that is to come should be to this as this has been to that which is gone



the Marne, the white population of the world increased threefold, while the use of coal and oil increased 75 fold. The more rapidly this stored energy has been released the more prosperous the people have become. In America since the war the greatest demonstration of the ages has been made in this respect and the results are to be seen in the daily life of every individual.

### "A Model of Convenience"

TAKE, for example, the houses in which Americans live. The "slums" have almost disappeared. There are no such houses anywhere else in the world and there never have been such houses in the United States until this generation. The modern American home is a model of convenience that evokes the admiration of the foreigner. The equipment of the modern kitchen cuts the housewife's work in two. Gas and electricity are practically universal. Who remembers the wood-burning cookstove and the kerosene lamp?

The American recognizes the value of labor saving appliances; has brought the electric and gas refrigerator, the vacuum cleaner, and the washing machine into the home. The development of a single idea like cold storage, born in America and not yet highly developed elsewhere, combined with rapid transportation, has in a generation almost doubled the varieties of food on American tables.

And now comes the phonograph and the radio with their untold possibilities of entertainment. Grand opera and the master orchestras are to be heard in any sitting room. There is a motion picture show in walking distance of every home, while three-fourths of the 30 million automobiles of all the world roll about beneath American owners, pushing back the horizons of their lives.

The woman citizenry of this nation and decade! Where else has woman ever lived as she does here and today? I remember well the pioneer woman of the

West of 50 years ago. Many were her hardships, gruelling was the work she did in laying the basis for the glory of today.

In America she has been given all the political privileges of the man. Every legal restriction is disappearing. Here is a freedom that woman has never before possessed. Nearly ten million of her sex have chosen to take their places as productive workers. Vast armies of women fly as fair a flag of independence as ever topped the staff of man's embattled stronghold. It was not so yesterday in America and it is not so today anywhere else.

The amount of money America spends on education increases steadily and rapidly. Fifteen years ago we were spending \$38 a year on each of our school children. By 1916 the figure had risen to \$50 and in 1926 it passed \$100. Mounting prosperity was appearing in increased school facilities and an increased ability of children to stay in school.

Soon the changed conditions began to assert themselves in secondary schools. In 1890 there were 350,000 students in high schools in the United States. Now there are more than 4,500,000. High schools are the natural feeders of the colleges and universities. This generation has witnessed the oncoming of a great flood tide of higher education. Today there are eight times as many students in colleges and universities as there were 30 years ago. The total attendance in 1890 was about 120,000. Now it is some 1,000,000. American colleges turn out 100,000 graduates every year.

In all the rest of the world there are only about 950,000 students enrolled in institutions of college or university grade.

And education has made strides in practicality.

When, as a boy, I wanted to study mining engineering, there was not a school in America to teach it and I had to go to Germany. Now all the world comes here for mining engineering instructions.

The splendidly equipped American

technical high school teaches coordination of hand and brain. Adult education in night classes keeps open the door that is customarily shut when youth has passed.

Higher education is being more largely financed by private benefactions than out of public funds, or out of the pockets of students. Figures compiled by the Federal Bureau of Education show that in the contest between these three agencies, as contributors to colleges and universities, philanthropy is far ahead.

For the last year for which figures are available, city, state and federal governments contributed \$116,000,000. Students themselves paid into the coffers of these institutions for higher education, for tuition, board and lodging, an amount aggregating \$114,000,000. That same year private benefactions and incomes from them amounted to \$168,000,000, more than came from any other source.

Prosperity is manifesting itself in these benefactions. The rich man is ambitious to make his money render service and become a man rich rather than a rich man.

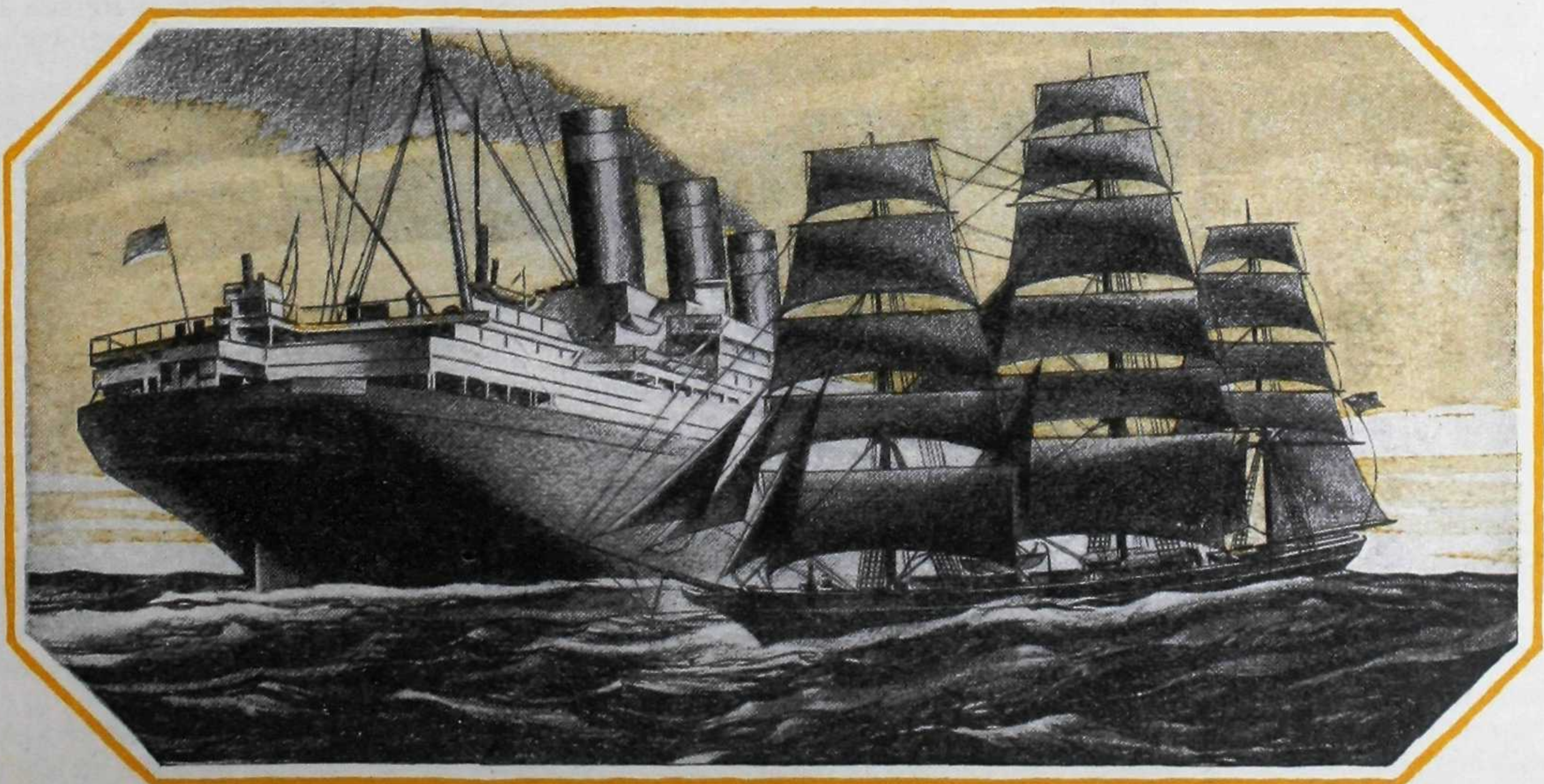
### Education a Religion Here

FOREIGNERS coming to America to study its methods of education are impressed with the seriousness with which schools are regarded. Education in the United States, they say, amounts to a religion.

But the fundamental element of superiority in this American education comes from the fact of its democracy—from the fact that the sons of the baker and the banker sit side by side in the schools, as they do not elsewhere, and by so doing acquire the psychology which is ours and which enables the offspring of country blacksmiths and metropolitan truck drivers to run for President.

A supplement to general education is reading. The American is likely not to appreciate the fact that he has such a

(Continued on page 141)



In America as nowhere else has the bogey belief that a labor-saving machine will throw workers out of employment been laid to rest



# The Map of the Nation's Business

By FRANK GREENE

Managing Editor, Bradstreet's

**W**ARM weather, lower prices for cereal crops and live stock, and the climax to the most active political campaign in years might have been expected to prove serious drawbacks to trade and industry in October, but the hesitation shown was rather trifling and some lines set up new records for all time.

The stock markets, for instance, surpassed previous accomplishments alike in sales and in the reaching of new price levels, this in the face of high money rates; leading mail-order houses sold more than in any previous months in their history, and the steel industry broke all daily and monthly records of production.

## Prices Stiffened

**I**F, as some authorities put it, buying of some lines of finished products tended to taper off, there was little reflection of this in prices, which stiffened perceptibly. This was true in both crude and finished forms of iron and steel while some nonferrous metals, especially copper, rose sharply in price and in production.

Lines related to the metal trades, and especially the automobile trades, showed remarkable activity for so late a date in the season. The October output of cars and trucks, while slowing down from the high peak of August, was still large enough to insure a new high peak total for the year, while tires moved freely at lower prices, this coincident with the formal ending of the British Colonial rubber export restrictions set up some years ago.

Buying of cotton fabrics for the tire and other branches of the auto trade were apparently helpful in swelling the volume of cotton goods buying, which was reported to be far in advance of that recorded a year ago. Curtailment of consumption with enlargement of export trade in the raw material aided in keeping down production in this line.

For the third quarter of the year there was recorded a new high output of cement. A similar record-breaking production and sale of radio and kindred materials was announced. Agricultural implement and machine tool makers were busy in October and the railways bought rails,

cars, and other equipment, with the possible exception of locomotives. One of the country's leading railroads announced a far-reaching change in the equipping of some of its eastern lines with electric power as an operating medium.

Colder weather, bringing heavy rains

prices. One result of the high prices ruling for cattle in the late Summer and early Autumn was an apparent large take-off of hides which brought about an easing in leather prices and some reductions in shoes.

This latter branch of manufacture tended to ease off in production.

Prices of cattle and hogs went off rather sharply in October and to some extent in early November.

The developments in agricultural happenings included some slight revisions downward of corn crop estimates in October and November and a slight upturn in estimates of cotton yield, accompanied by a larger ginning of that crop than was recorded a year ago. Crops as a whole turned out larger than a year ago, cereal yields being 9.5 per cent greater than a year ago and only three per cent below the 1915 record.

Potato yields proved to be of record size with resulting very low prices. Grape prices indicated that stimulation of production in recent years has had its natural result in very low prices. The arrival of Pacific coast grapes in eastern producing regions reduced quotations to a point where it was asserted that it did not pay to pick them.

## Wheat Prices Low

**I**N the wheat trade liberal yields in Europe and reports of possible large crops in the southern hemisphere plus record visible supplies in the United States and Canada proved a weight upon prices. Despite a slight enlargement in export trade the shipments from the United States for

four months of the cereal year were little more than half those of one and two years ago. Holding of wheat by western farmers was also said to have affected country collections.

Exceptions to the generally heavier yields of staple crops were noted in parts of the Southeast where the storms of September reduced the corn, cotton, and tobacco yields.

Reports as to employment pointed to an increase in workers in factories and mills in September, although the chief gains were in the metal, vehicle, and related lines. Employment at Detroit

## BUSINESS INDICATORS

Latest month of 1928 and the same month of 1927 and 1926 compared with the same month of 1925

	<i>Latest Month Available</i>	<i>Same Month 1925 = 100%</i>		
		1928	1927	1926
<i>Production and Mill Consumption</i>				
Pig Iron.....	October	112	92	110
Steel Ingots.....	October	120	85	109
Copper—Mine (U.S.).....	Sept.	114	97	107
Zinc—Primary.....	Sept.	104	101	110
Coal—Bituminous.....	October*	94	83	106
Petroleum.....	October*	120	119	107
Electrical Energy.....	Sept.	135	120	113
Cotton Consumption.....	Sept.	109	139	118
Automobiles.....	October*	84	52	79
Rubber Tires.....	August	128	99	105
Cement—Portland.....	Sept.	112	110	104
<i>Construction</i>				
Contracts Awarded—36 States—Dollar Values.....	October	112	110	100
Contracts Awarded—36 States—Square Feet.....	October	100	93	87
<i>Labor</i>				
Factory Employment (U.S.)—F. R. B.....	Sept.	96	97	101
Factory Pay Roll (U.S.) F. R. B.....	Sept.	101	100	104
Wages—Per Capita (N. Y.).....	Sept.	105	104	103
<i>Transportation</i>				
Freight Car Loadings.....	October*	106	101	108
Gross Operating Revenues.....	Sept.	98	100	105
Net Operating Income.....	Sept.	100	99	108
<i>Trade—Domestic</i>				
Bank Debits—New York City.....	October*	150	118	99
Bank Debits—Outside.....	October*	111	105	99
Business Failures—Number.....	October	128	113	112
Business Failures—Liabilities.....	October	118	123	112
Department Store Sales—F. R. B.....	Sept.	112	105	106
Five and Ten Cent Store Sales—4 Chains.....	October	123	117	108
Mail Order House Sales—2 Houses.....	October	121	97	90
Wholesale Trade—F. R. B.....	Sept.	93	96	100
<i>Trade—Foreign</i>				
Exports.....	Sept.	101	101	107
Imports.....	Sept.	92	98	98
<i>Finance</i>				
Stock Prices—20 Industrials.....	October	166	126	101
Stock Prices—20 Railroads.....	October	137	135	113
Number of Shares Traded in.....	October	174	88	73
Bond Prices—40 Bonds.....	October	105	107	103
Value of Bonds Sold.....	October	85	97	83
New Corporate Capital Issues—(Domestic).....	October	227	234	88
Interest Rates—Commercial Paper, 4-6 Months.....	October	126	91	103
<i>Wholesale Prices</i>				
U. S. Bureau of Labor Statistics.....	Sept.	97	93	96
Bradstreet's.....	October	91	94	89
Dun's.....	October	97	97	95
<i>Retail Purchasing Power, July 1914 = 100</i>				
		Sept. 1928	Sept. 1927	Sept. 1926
Purchasing Power of the Retail Dollar.....		61	61	60
Purchasing Power of the Clothing Dollar.....		58	59	58
Purchasing Power of the Food Dollar.....		63	65	63
Purchasing Power of the Rent Dollar.....		62	60	57

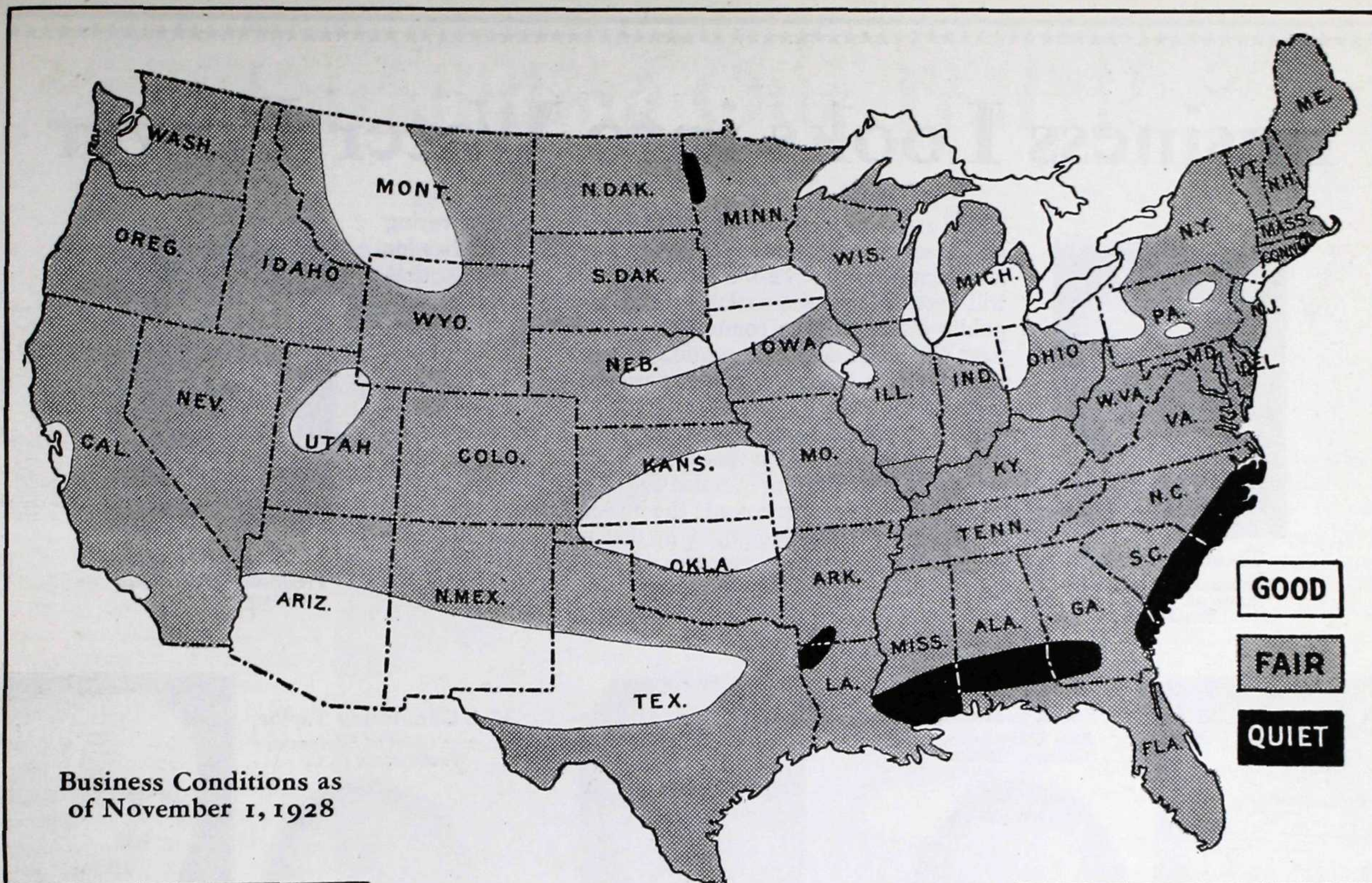
(\*) Preliminary.

Prepared for Nation's Business by the Statistical Dept., Western Electric Co., Inc.

or snows, particularly in western areas, supplied much needed moisture to winter wheat and quickened buying of heavy-weight clothing. In the latter there was something like a shortage in immediate supplies of woollens adapted to the making of overcoats, while knitted wear sold in large volume. The settlement of soft coal trade disputes resulted in an increase in production of both household and industrial fuel. A large accumulation of coal, on railway tracks, unbilled, resulted.

Fuel oil sold better, while gasoline, after a record production in the early autumn, quieted down with a slight easing in





reached its peak in the third week of September.

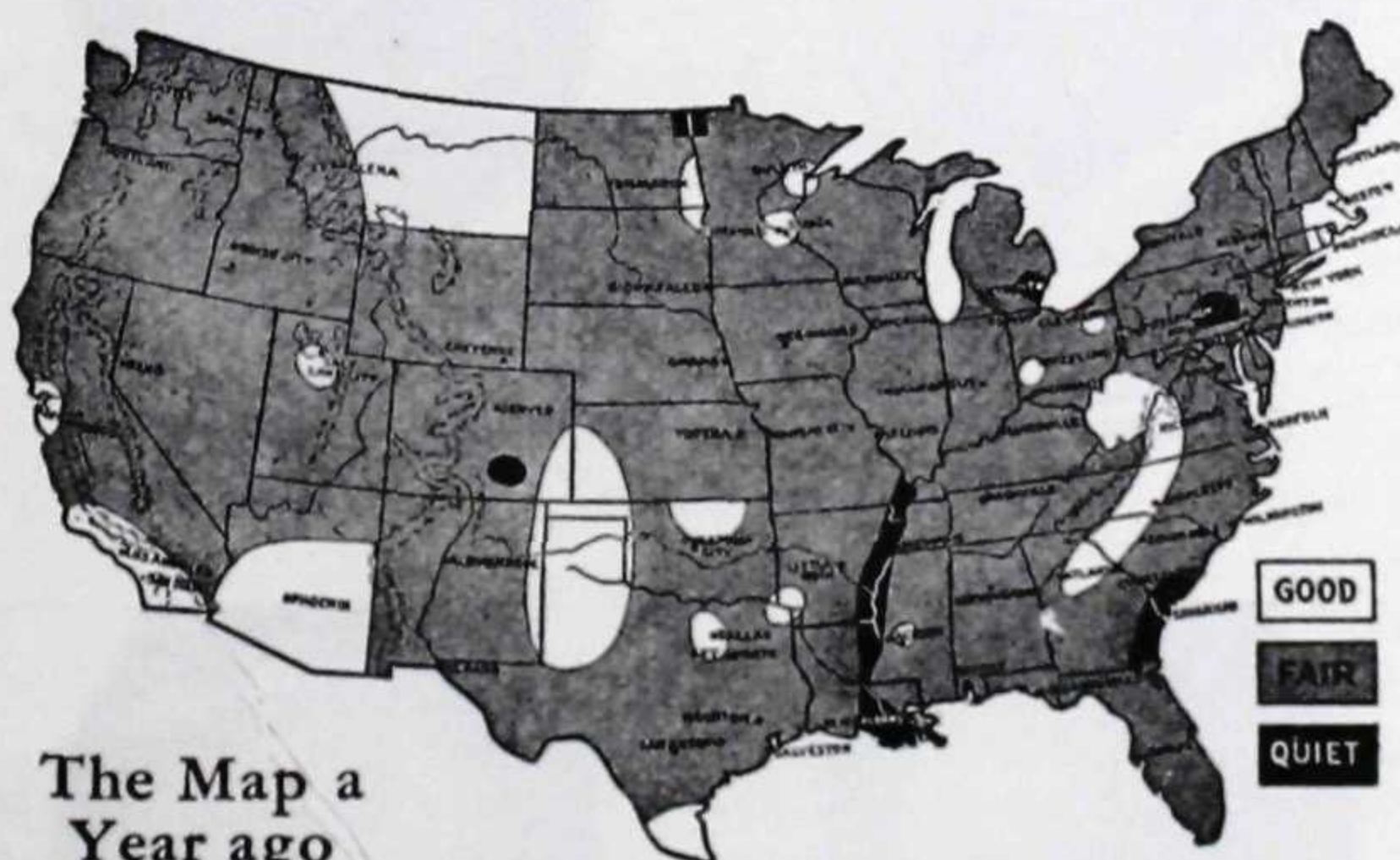
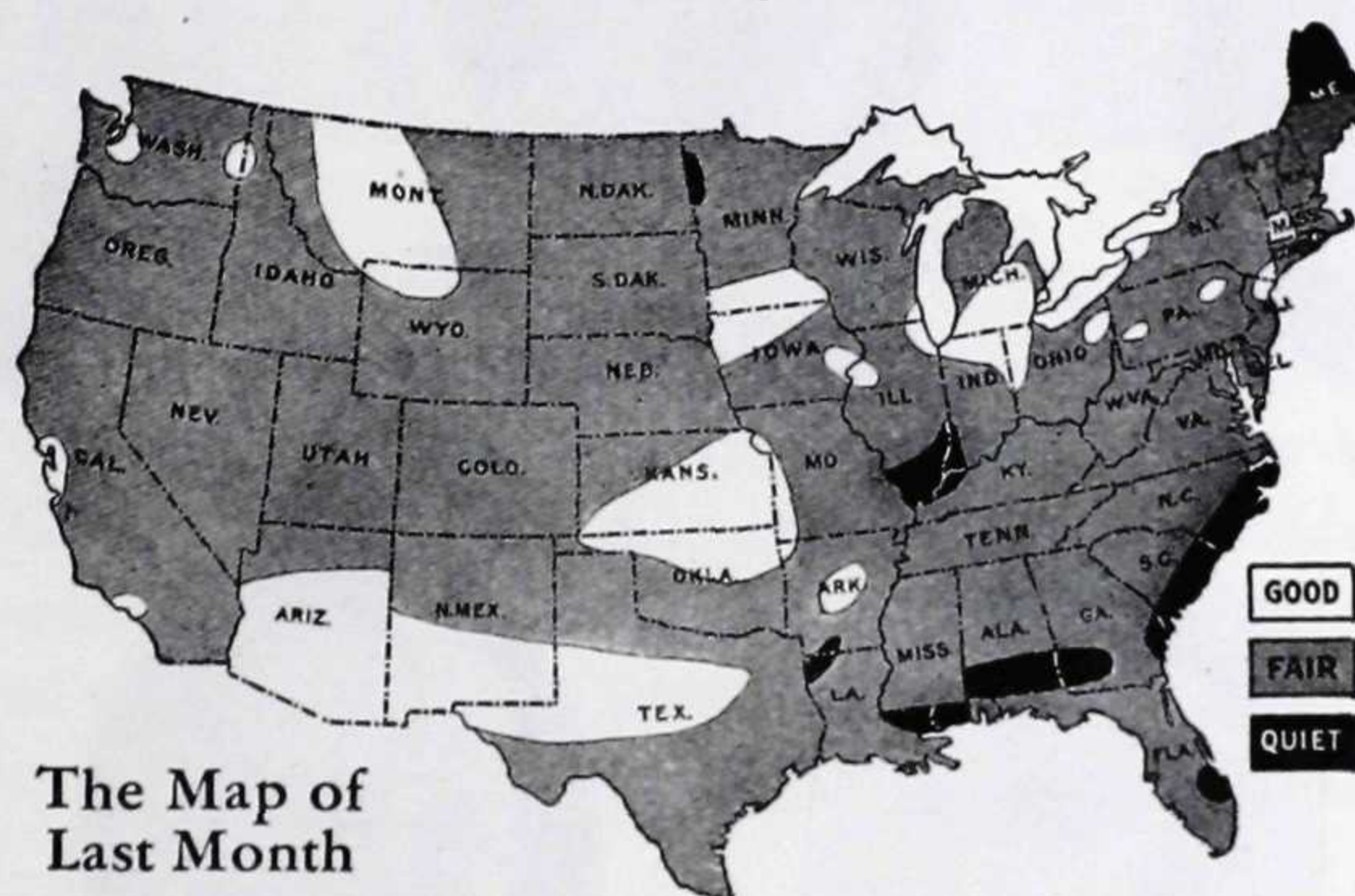
Building permitted for in October showed a gain over September and a fractional increase over the previous October with a good-sized decrease noted at New York as against a smaller percentage of gain in the rest of the country. For ten months a small decrease in value from 1927 with larger decreases from 1926 and 1925 was noted.

### Railway Earnings Low

CAR loadings seem to have reached their peak in late September. The October total was well above last year's, though a shade under the same period of 1926. September car loadings sharply contrasted with gross railway earnings, the latter falling behind a year ago by the same percentage that the former increased. For nine months, however, car loadings and gross railway earnings were below those of a year ago by about the same percentage.

October bank clearings were second only to those of last May and reflected the sales of just short of 100 million shares of stock or double the sales during October, 1927.

October failures were the largest in number since May



NEW records were set in some lines of trade and industry during October, despite the handicaps of warm weather, the climax of the political campaign, and lower prices for cereal crops and live stock. The hesitation generally expected as a result of these conditions proved a trifling one.

In contrast to these developments, the most failures since May were reported

and also the most numerous reported in October since 1921. Liabilities were the heaviest since June and the largest in October since 1924. There were fewer failures in the South than a year ago in October, but a considerably larger number of bank and other large failures noted in the Southeast, especially in Florida, Georgia and South Carolina. These were responsible for the swelling of the liabilities total in that area in October.

### Retail Trade Up

IN retail trade mail-order sales led in percentage of gain in October but chain-store sales led for the ten months. Some of the gain in mail-order sales is no doubt chargeable to the larger yields of most staple crops, but some of it is due to opening of new branches of mail-order concerns.

Some of the five and ten cent chains reported decreases in October from a year ago in their older stores. Department store sales for nine months were only a fraction better than a year ago, when an almost similarly small fraction of gain was recorded over two years ago. Department store sales gained 3.2 per cent this October over last.



# Business Looks into Water Power



**Thomas S. Baker,**  
President, Carnegie Institute of Technology,  
Pittsburgh

THIS group of men has set out in search of facts covering all phases of water power resources, a search which has for its ultimate objective the determination of policies that will best develop the nation's water power in the general public interest. The committee's conclusions should answer the much debated question of where American business stands in the field of water power as regards "Government in business."

Recent political campaigns have produced many conflicting statements upon this national resource, but to what extent it is critical or dominating there is considerable question. The country needs the business man's facts and the business man's judgment in this matter and to this end the Chamber of Commerce of the United States has set up this National Water Power Policies Committee.



**Alexander Legge,**  
President, International Harvester Co.,  
Chicago



**Lafayette Hanchett,**  
President, Utah Power and Light Company,  
Salt Lake City

**Frank I. Mann,**  
Bois d'Arc Farm,  
Gilman, Illinois



**F. A. Delano, Chairman**  
Former member,  
Federal Reserve Board,  
Washington, D. C.

**Maj. Gen. Harry Taylor,**  
Former Chief of Engineers,  
Washington, D. C.



**Harold G. Moulton,**  
President, Brookings Institution,  
Washington, D. C.



**Arthur S. Bent,**  
President, Bent Brothers,  
Los Angeles, Calif



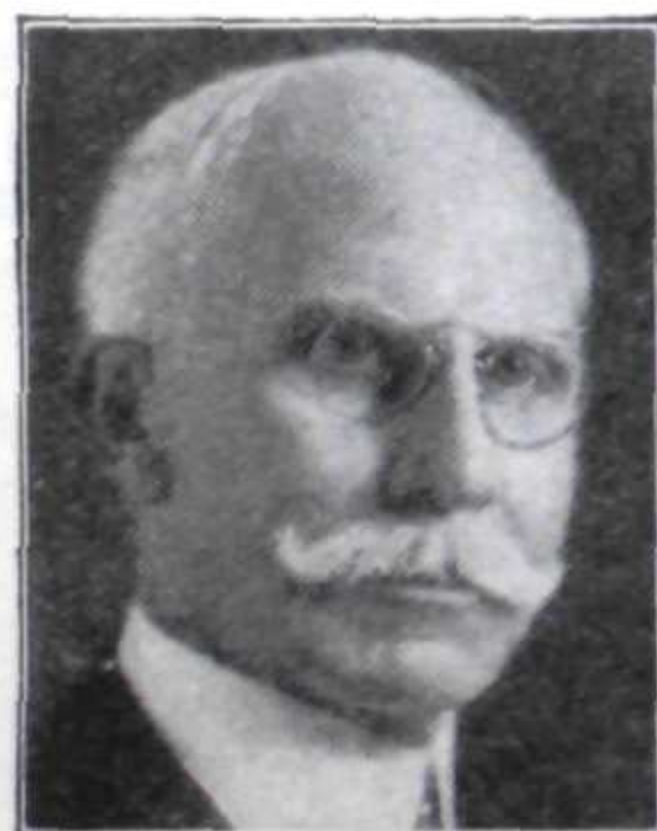
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**Horace W. King**  
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University of Michigan



**Frank P. Glass,**  
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Montgomery, Alabama



**Charles H. MacDowell**  
President, Armour Fertilizer Works,  
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**Lewis B. Stillwell,**  
Consulting Engineer,  
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**David C. Henny**  
Consulting Engineer,  
Portland, Oregon



# Untangling Our Traffic

By ELMER T. STEVENS

**E**ACH one of us is a street traffic expert, and could regulate traffic better than it is being done. Each one of us would welcome a chance to have a hand in planning street traffic control. And then, if my own case is typical, we would find how little we knew of a most complicated subject.

The purpose of this very unscientific article is to tell a few of the things which some Chicago novices learned from real street traffic engineers. And, by the way, the most important thing that we learned was that street traffic problems are engineering problems and should be solved by engineers and not left to the attention of well meaning, but untrained, citizens or officials.

Herbert Hoover struck at the heart of this great problem by calling and directing the meetings of the National Conference on Street and Highway Safety.

This monumental piece of work has resulted in the drafting of the Uniform Vehicle Code for states, and the Model Municipal Traffic Ordinance for cities. Both of these can be turned to great advantage wherever adopted.

Staggering and incomprehensible statistics have come from these meetings telling us just how seriously affected we are by street traffic conditions. We are told that traffic accidents are costing us \$600,000,000 a year while inadequacy of traffic facilities, resulting in congestion, delays at railroad grade crossings, extra distances, inferior road surfaces, heavy grades, poorly designed traffic signal systems, and inadequate or poorly instructed traffic forces are costing nearly \$2,000,000,000 a year.

The trouble with these figures is that they mean very little to you or to me. Of course, we pay our share of that \$2,000,000,000, but we do not really know it. Since persons in New York pay almost as much to have their grape fruit brought to their door from the railroad as it cost to bring it from Florida, they



EWING-GALLOWAY, N. Y.

**TRAFFIC control is of vital importance to business men of every city, says Elmer Stevens, general manager of Chas. A. Stevens & Bros., Chicago department store. He writes here from his experience as chairman of a committee of Chicago business men that successfully attacked traffic problems there**

are paying the unseen tax. Since I, in Chicago, pay almost as much to get a ton of coal from the railroad as the railroad received for bringing it from the coal fields of Southern Illinois, I pay the unseen tax.

We actually pay it on everything that we use, but we do not realize it.

## Traffic Is Vitrally Important

**B**UT some of the possible economic results that follow street traffic congestion may have a very visible effect on our individual financial standing. Your store, your office building, your bank, your hotel, your whatever-you-have, has been placed where there is proper and adequate access to it. Of what use is the most wonderful store in the world if the people cannot get to it? Your streets are really a part of your establishments—without them commercial activity would be at a standstill. Anything that decreases the availability of your streets strikes a blow at your prosperity.

In other words, as one of our experts has said, "The value of a piece of prop-

erty depends upon its accessibility to those desiring to use it." After the means of getting to the property are used to their maximum, additional use tends to slow up that access, and the value therefore must decrease.

If all other difficulties are forgotten, this threat at established economic values, this danger of direct and considerable loss, with all the risks to business credit which insecurity of values represents, presents a picture which appeals to every business man.

The shifting of retail districts in many of our cities shows the process of decentralization at work. This is largely because of the increasing difficulty of access. The sad part is that the new centers begin to lose their accessibility just as soon as they, too, become prosperous, and soon further decentralization must take place. The creation of new values is excellent, but the destruction

of old is most costly.

But, you ask, has not the worst already come? Has it? There are already 20 million passenger automobiles in this country. The automobile manufacturers, furthermore, engaged in keen competition, are selling an estimated 4,600,000 cars this year, and must continue to produce on that basis. Prices are astoundingly low, and the prices on good used cars are so moderate that almost anyone can have some kind of car. In addition, each car is being used more and more.

Do you find the accident reports in your papers showing any lower totals? Do you find the congestion on your streets growing any less? Unless you live in a most unusual community, you do not. As a matter of fact things are getting worse and will continue to do so—unless definite steps are taken to prevent them.

This leads us to the next question. What can be done and who can do it? Thanks to the recent National Conference

(Continued on page 126)







# Nation's Business Map of the Air

By WILLIAM BOYD CRAIG

**H**ERE is the first complete air travel map which has been prepared. It is much more than an air mail map. For the first time, a business man may schedule his trips on a definite chart. All the romance of the early days of transcontinental rail laying is presented once more. It's more than romance; it is concrete, actual, and in operation. To roads and rails is added a third major transportation system, a fact of which America is but vaguely aware.

Obviously, the routes here charted are but a framework for what's to come. The map does not begin to suggest the number of companies in formation, or the number of lines operating for occasional "taxi" trips and pleasure flights. Only routes following definite schedules are reproduced; developments are so rapid that no map can long be accurate.

If this were being said informally in conversation, instead of through the pages of NATION'S BUSINESS, the speaker would be interrupted right at this point by very practical objections. "That's all very true, no doubt," a salesman or a merchant might say, "but what does it mean to me? How can I travel by air extensively? How do I know when the planes leave here? I don't even know where the nearest airport is located. Maybe this map will tell me where I can go, but still I don't know when or how."

## The Answer Is Simple

**I**T is true that air travel schedules are not generally known, but information is as near as the telephone. A call to the local chamber of commerce secretary will bring the desired information. If the chamber is large enough to have an air division of its transportation committee, the secretary will have at his finger tips the complete situation.

If the secretary is in himself a "one-man" office, it is safe to say that the chamber members will be interested to find just how much of a flying authority he is. Local chambers have played a helpful part in the dramatic growth of the country's air lines, and the secretaries have been unusually active in fostering such interest.

No class of business men has been following the growth of the new transportation system more closely than the rail group. Whether or not the airplane will prove a strong competitor is yet to be ascertained. The probabilities are that it will not. It is the opinion of government officials and unofficial observers that the air system will create business of its own rather than carry away trade from existing lines. The basis for this argument lies in the fact that much of the travel by air

is likely to come from business officials who will be taking advantage of the air's greatest asset, speed. Trips of from 200 to 600 miles which are now very often avoided will become more common when the time factor is decreased, it is believed. While novelty alone will increase the number of air passengers, it is not believed that this class of business will continue indefinitely, although it will increase greatly in all probability before it slumps. Those who fly out of curiosity often return to fly for business reasons.

## Pioneers Are Technical Men

**T**HE pioneers in this new business field have been technical men and in many cases more interested in the mechanical possibilities than in making the country understand just what the advantages of air travel are. They had plenty of faith themselves in what they were selling, but were too interested in it, perhaps, to keep the public informed as to its practical possibilities. They are, however, beginning to realize that the thing they are selling—quick transportation—has a definite market, and they are preparing to go after it.

Some business men will make immediate use of this map. Doubtless it will be slipped under the glass on desk tops and used for reference by many. It is not entirely without significance for anyone, however. It may have no practical use for some, but it will act as a graphic reminder that the air is now definitely opened up for practical transportation. No longer is flying done solely for records, for sport, or for battle. It has a significance for the business man just as has the radio, the automobile, or the motion picture. It will change buying habits, undoubtedly, though just how cannot yet be foreseen. The air ports scattered over the country open to inland cities the oceans of the air. Whatever makes for more travel makes for increased business.

## New Field For Advertising

**A**IR travel opens a new field of business to the advertising men. Here is a brand new product which has been dropped into their laps, and there are, even as this is written, projects under way in advertising offices throughout the country for the promotion and capitalization of the new idea of travel. It will be interesting to watch the developments they make in the virgin field of "selling the air."

Several railroads plan to use the air as an adjunct to their regular systems. When bus travel threatened to hurt the passenger business of the railroads, some met the competition by installing bus service of their own. In some cases at least this not only met the threat of lost business,

but actually increased business. The possibilities of the air as an aid to rail travel are not being overlooked by the railroads. When competition threatens a wide-awake railroad, it usually adopts the competition as its own.

One plane, however, does not make an air line. Mile for mile, the cost compares roughly with that of the railroads themselves. Maintenance, replacement, and obsolescence are factors for the plane man to think of as well as the train man.

There is no business office in America that does not have immediately available adequate information on rail transportation. Complete railroad maps grace the walls of hundreds of sales managers' offices. No motorist would think of taking a long trip, for vacation or business, without a road map tucked into his pocket, or in a pocket in his car. Now the trinity is complete, with this publication of the country's air travel map. This map was assembled with the aid of the Post Office Department, the Department of Commerce, and the Transportation Department of the National Chamber.

## Map Is First of Its Kind

**A**IR mail maps are now in use in many business houses. The publication of this air travel map, however, is the first concrete evidence presented to business of the possibilities of nation-wide air travel.

State boundary lines are important today, but as conveniences, not hurdles. The National Capital was placed at Washington because it was the center of things at first. Then for 75 years it was more and more obvious that it was on the edge. Men talked of moving it to a point somewhere nearer the geographical center of the country. Today it is back in the center of things, because transportation is so rapid that distance has very little significance.

With the coming of a new form of transportation—ever faster—it is for the imagination only to say what the results will be with respect to international boundary lines. Shall we see a United States of Europe in our lifetime? The thought is not utterly fantastic, for political theories crumble into dust when exposed to the acid test of economic advantage.

There is much in this map to stir the imagination. For instance, there is the thought that in the days before and after the Revolution, assemblies—even Congress itself—had trouble in meeting, because transportation difficulties were so great. Today, the parachute has replaced the saddle-bag as an accoutrement of travel. While assemblies still engage

(Continued on page 118)



# I Tried to Buy Myself a File

By NELSON B. GASKILL

Former Federal Trade Commissioner

**F**OR FIVE years I was a Federal Trade Commissioner. If the experience did nothing else to me, it gave me a real interest in the ways and methods of business. It left me with a consuming curiosity about its problems which breaks out in unexpected places. One of these outbreaks is responsible for this article.

In odd hours, I build ship models. Perhaps it would be better to say I try to build them, because I have not had much training in the use of tools. And I have found that buying tools is almost as much a problem with me as using them after they are bought. This has been a funny experience both for me and the hardware trade of Washington.

In the course of my ship building I needed a file. I had a lot of poor files which made much unnecessary work and trouble. I needed a good file because a good tool in good condition will do a lot on its own, and help an unskilled hand a long way toward an excellent job. But I did not know a good file when I saw one.

Experience had taught me that the surest way to get the kind of file I did not want was to walk into a hardware store and ask for a file.

## Sale Through Advertising

**M**Y Trade Commission experience suggested that I fall back on the power of advertising, so like a well-trained American citizen, I referred to the current number of *The Saturday Evening Post*. There I found that, as an old darky said after he had heard the late Senator Joe Bailey in one of his campaign speeches, the Nicholson Company "certainly does recommend hisse'f highly." My reaction to the advertising was one hundred per cent. Fine business. I would obey that impulse. I would go and get a Nicholson file today. And I tried to. I got up and went, picturing to myself the pleasure I was going to have in working with that splendid new file, and the fine job I was going to do when I secured the proper tool.

I walked more than a mile and I visited three stores. I endured much at the hands of clerks who, despite the Psalmist's warning, sit in the seat of the scornful. I brought home much bewilderment and a Simonds file. To me the Nicholson file is still as unreal as a moonbeam. And I am disappointed. I have no fault to find with the Simonds file. I have tried it, and I believe that it does just as good work in my hands as any file could do. But I did not want it.

I could not get a Nicholson file simply because none of the three stores to which my quest took me, carried it. I did not go to drug stores nor to the basements of

department stores. I went to the three chief hardware stores of the city. In each I stated my mission simply. "Have you a flat Nicholson file?" I thought we could discuss the details of length and cut later if the conversation was allowed to go so far.

Clerk number one said, "No, you poor fish." He did not pronounce the last three words, but I got his meaning without difficulty.

Clerk number two said "No." But with that one syllable he disposed of me, *The Saturday Evening Post* and the Nicholson file. I gathered that there was no such animal.

Clerk number three was the bright boy they tell about in the salesman's handbook, who gets the business. He sold me the Simonds file.

Clerk number three was a nice lad and somebody loved him. Which I am sure is not true of the other two. He was good and I was tired and other stores were far away. I was beginning to feel that I was in the grip of forces which were beyond my control. It seemed that there was a power at work like that mysterious something which on certain days tops every iron shot and sends every drive into the rough. But even while I succumbed, I had the feeling that I was being weak, that I was quitting on the Nicholson Company and laying down on the advertising power.

The thought persisted that the advertising thing would have worked and produced a Nicholson file, but for some fault of mine. Nevertheless, since they did not have any of those celebrated files, but something just as good I took the Simonds file and went home, but as Huck Finn said, "Not feeling brash."

## Building Consumer Demand

**T**HIS disappointment was still festering in my mind when I read an article in *Nation's Business* by C. D. Garretson, entitled "Wanted, A Yardstick for Advertising." It seemed to me that Garretson had something on his ball when he pitched that one. He told of his experience in running an extensive and expensive advertising campaign directed at the consumer demand. And when it was all over, he tried to find out if it had paid. He said he did not know.

Among other items that he cannot even estimate, is how many would-be customers could not get his hose, even after his advertisements had made them yearn for it. I thought of the Nicholson Company. They tried to make me want their files. I tried to get some. And neither of us knows how many times throughout this land of ours, would-be consumers like my-

self face a gap between the magazine page and the store counter, across which our outstretched hands cannot meet.

Garretson realizes that he has got to build a bridge across this gap in order to sell his hose and make water go where it will do the most good.

Thinking this over, it occurred to me to go out and ask the retail hardware trade some questions. It is hard for me to break off the habits formed in Trade Commission days.

I must say that they were very polite and courteous to me. They answered all my questions and even expressed views.

## Desire for the File Wasn't Known

**I**N store number one I was told that they did not carry the Nicholson file because there was no demand for it. It developed that the only way the buying end of the business would know of a demand that the selling end could not meet, would be a large order coming in. It was very clear that the sales force was to sell what the buying force bought.

Store number two was practically the same. It did not carry the Nicholson file because there was no demand for it. There was no criticism of it whatever. They had a number of cheaper lines which seemed to satisfy their trade. A book was kept in which the clerks were instructed to write down all requests which they could not meet.

I had previously asked in this store for articles which they could not furnish. But I never saw a clerk rush off to tell anyone about it or write the fact down, so I have some lingering doubts as to the informative value of this system.

In store number three I was met with the same statement about the absence of demand. But here there was evidence of real consideration of selling values. They carried the Simonds file because they thought it quite as good as the other and it sold for a slightly lower price. In this store the manager of the hardware department was selling behind the counter. He relied upon his own observation for a knowledge of demand supplemented by the reports which his clerks were instructed to make to him.

In each instance I asked the manager if my unsatisfied demand had been reported to him, and in each instance the answer was, "No." Nor had any other demand like mine been reported.

And so having satisfied myself that consumer demand would have to reach the proportions which would warrant calling out the police reserves, before it brought Nicholson files to the Washington public, I went home and scratched my head. But not with a Nicholson file.



for Economical Transportation

*in 1928*

# Again the World's Largest Builder of Automobiles

Since January 1st, over a million Chevrolets have been produced and sold, making Chevrolet for the second consecutive year, the world's largest builder of automobiles.

This outstanding achievement constitutes an overwhelming endorsement of Chevrolet's basic manufacturing policy—a policy expressed in the famous slogan, "Quality at Low Cost."

*The conclusion of Chevrolet's greatest year is a fitting occasion for the re-affirmation of this policy: To build a quality automobile whose design incorporates every possible feature of progressive engineering . . . whose beauty is distinctive, smart and satisfying . . . whose reliability is the result of fine materials and precision manufacture . . . and whose price is*

*so low as to be within reach of the great majority of the people.*

Strict adherence to this policy has brought to Chevrolet a record of success ranking with the great industrial achievements of all time. It has made possible the constant improvement and expansion of Chevrolet manufacturing facilities. It has enabled Chevrolet to build continually better automobiles to meet the changing standards of public demand.

And today, after 16 years of consistent progress, Chevrolet has again demonstrated its ability to provide an even greater measure of quality, beauty and performance—at prices so remarkably low as to be within reach of everybody, everywhere.

CHEVROLET MOTOR COMPANY, DETROIT, MICHIGAN  
Division of General Motors Corporation

Q U A L I T Y   A T   L O W   C O S T



It isn't what you spend for taxes that counts, it's what you get



"A new community house? I'm for it. It won't cost me anything. The city will pay for it"

## Make Your Tax Dollar Pay You a Full Dollar's Worth

By MORRIS EDWARDS

*Of the Finance Department, Chamber of Commerce of the United States*

### Second of a series of articles on taxation

**W**HEN, throughout the weekly luncheon of the Rowan Club, you and the druggist on your right join in working up a righteous indignation about high taxes, just remember that it is not a malevolent and impersonal government but a personal and habitually neglectful you who make taxes what they are today.

It is principally because the average citizen (whoever that hapless, fabled individual may be) wants good schools, insists upon improved highways, and has a recurring weakness for loading countless jobs onto a willing government, that American taxes have trebled within little more than a decade. Like the person who votes dry and drinks wet, he is a tax-saver in oratory but he is a tax-spender in habit and in fact.

Expenditures of all governmental units in 1926, according to figures now available, reached \$11,500,000,000—roughly \$38,500,000 each working day. Con-

siderably more than one-half of that amount was raised and an even larger proportion was spent right at the home of the man who pays the taxes. The expenditures were the response of public officials to what they interpreted as the desire of the taxpayers themselves.

#### Local Expenses High

**F**EDERAL expenditures were less than four billion dollars; those of state governments were a billion and a half. Local governments—nearly 500,000 of them—raised and spent about six billion dollars. In addition to this latter sum, the local spending agencies disbursed additional millions received from the Federal Government to aid educational, highway and other projects, and also some \$300,000,000 turned over to them by states to assist in road, school and institutional expenses. Local disbursements probably reached \$6,500,000,000.

Although \$11,500,000,000 was the total disbursed directly by all public agencies,

it fails to show the subtle, incidental costs which taxpayers were compelled to bear in addition thereto. It provides no measure of the costly inconvenience to nationwide business enterprises in having to comply with 48 different codes of laws, 48 different systems of revenue collection and 48 different sets of administrative practices. Schools, roads and a variety of public functions grouped under the heading of "public welfare" required considerably more than half of this amount of local expenditures.

Divided into various functional costs upon the basis of \$100 the distribution of local expenditures, exclusive of state and federal disbursements, was roughly as follows:

General expense.....	\$ 6.80
Protection of Person and Property..	9.10
Education .....	29.70
Streets and Highways.....	17.30
Social Welfare, Courts and Institutions.....	12.90
Public Service Enterprises.....	8.60
Debt Principal Payments.....	4.20
Interest.....	8.80
Miscellaneous.....	2.60

In other words, taxes are preponder-





# THE NEW FLEETWOODS

*The Ultimate in Luxurious Coachcraft*

*For those who desire a motor car expressing their own tastes and individuality, the Fleetwood Body Corporation has collaborated with the Cadillac Motor Car Company in interpreting in the new Fleetwood-Cadillacs and Fleetwood-La Salles the very ultimate in luxurious coachcraft.*

*Style—"the invariable mark of any master," individuality of appeal and perfect craftsmanship, these have long constituted an ideal and a tradition with Fleetwood. They are in very fact symbolized by the name Fleetwood.*

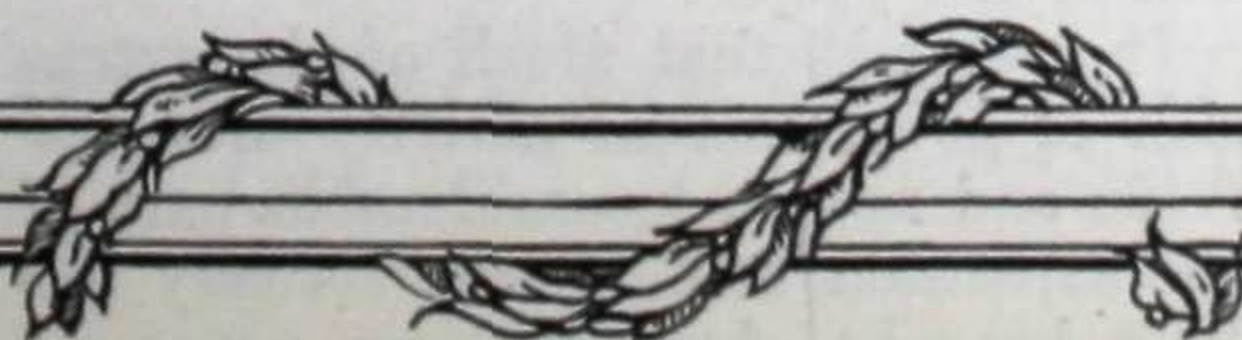
*Three generations of coach-crafters passed this ideal and this tradition to the present Fleetwood Body Corporation which has, since, uninterruptedly specialized in the production of custom-built bodies precisely interpreting owners' peculiar artistic perception and preference.*

*As in the days of Early American coachcraft, Fleetwood's successors to those Eighteenth Century artisans with their Old World traditions of craftsmanship, still produce the highest quality work, today specifically destined for those fields of motoring service where style factors—beauty, charm of contour, perfection of proportions, luxurious appointment—are paramount.*

*Representative creations of this famous line are now available in twenty-two exquisite models, Fleetwood designed and Fleetwood built, and can be had only in the new Cadillacs and La Salles. Varying body types and styles are on display in the Cadillac-La Salle showrooms of the more important centers throughout the country, and at our Salon and Studios, 10 East 57th Street, New York.*

FLEETWOOD BODY CORPORATION

UNIT OF FISHER BODY CORPORATION • DIVISION OF GENERAL MOTORS





antly local, not alone because more than one-half the money is disbursed locally but also because much of the federal and state cost is determined locally. Taxes, in the main, are an expression not of unbridled extravagance in a remote Washington or in a somewhat nearer state capital, but of the myriad desires and demands of the taxpayer himself and of his next-door neighbor.

If your bill as a taxpayer really is higher than you can afford to pay, you can do more to reduce it by foregoing some improvement of questionable necessity in front of your home than you can by:

a. Letting forth a wail like unto the damned every time you see a tax bill.

b. Yelling, "The Robber!" every time Friend Wife tells you the tax assessor has just called.

c. Remonstrating hotly with your congressman (1) for, or (2) against the McNary-Haugen bill.

### Local Improvements Costly

**A**n unnecessary local improvement costs you more than a half-dozen assorted federal appropriation bills.

Here are the figures: \$11,500,000,000 a year, or \$38,500,000 each working day, substantially more than one-half of which is expended locally. Their magnitude probably glances off American sensibilities deadened to the repeated impact of billions. They represent the pure money cost; they may mean little in themselves, but are valuable so far as they relate to the things for which the money was expended.

Business men who, through their trade and commercial organizations, have approached local tax problems in a serious way, have come to realize that if such vast national totals, or their local equivalents, can be expressed in terms of children educated, health conserved and property protected—that is, in terms of activities, standards of performance and quality of accomplishment—there will be found a starting point not only for analysis but also for improvement of governmental policies and practices.

The \$6,500,000,000 of local expenditures is high or low as compared, not with the six billion of 1925 or the one and one-fourth billion of 1913, but with ventilation conditions in little Harry's fifth grade schoolroom or with the chuckholes in the city streets.

Leaving for a moment the technician's stamping ground of figures and formulae, business men are wondering whether government, in managing its complex activities, need be so different from your wife taking mental measure of a good, thick porterhouse steak at the butcher's shop.

When she is buying the steak, she makes the purchase according to the answers, conscious or instinctive, which her judgment provides to these questions:

"Do I need it? Can I afford it? Will I get my money's worth?"

Government probably would be a more orderly and less expensive process if

those considerations could hold sway with you when the question turns upon a new community house in your neighborhood. But when the latter is the proposition at issue, it would seem that private purchasing tactics are thrown overboard and something like this is substituted:

"H-m-m, new community house? Why, yes, I guess I'm for it. It won't cost me anything. The city will pay for it." Something for nothing is a powerful and alluring illusion.

If we knew that all government were a mechanism organized and operated with efficiency the sole consideration, we might take for granted that every present activity and future project are planned consciously and administered or executed conscientiously. Then we could quit puttering with public financial questions. But we do not know that. The evidence leads to suspicion of the contrary.

Some of the present activity of communities on taxation questions—although by no means all efforts can be classified in such a category—takes the form of pruning and trimming a lot of higgledy-piggledy budget estimates to make them conform with some preconceived notion of what a tax rate should be.

Guiding elements in a community may say, "Our tax rate must not go over \$2.50 per \$100 this year." So the knife is wielded just enough to make the final budget estimates come within the income provided by a \$2.50 rate, entirely apart from whether the expenditures contemplated are economical or wasteful.

Such a procedure is not much more than solemn cheese-paring. It glorifies the status quo. Taxation problems are problems only because of prior maladjustments. To approach them thus is only a repetition of the neglect and unscientific planning which caused the maladjustments in the first place. It stirs up a lot of pother about surface phenomena. It is like doctoring the itch when the patient has cancer.

### Out of Touch With the Voter

**O**FFICIAL or even unofficial dabbling of that kind presupposes that present arrangements are inviolable. It assumes that every activity is not only a permanent function but that, by a curious law of growth, it must expand. It stamps every administrative policy and practice as insusceptible of improvement.

Such surface treatment takes too much for granted. It acts upon the theory that every existing governmental activity came into being in response to the deliberate wish of those whose money supports it. It graduates temporary or emergency undertakings to the status of permanency without question. It confuses the noisy demands of uplifters, who insist upon spending in the name of what they interpret as "progress," with the will of the people.

It overlooks that much of the extension of governmental activity into new fields and not an inconsiderable part of the expansion in old fields actually has been brought about without proper

scrutiny. The tendency has been to assume that any proposed activity is proper or unavoidable or that any proposed improvement is essential. The burden of proof paradoxically has been lodged on the negative. The question too often has been, "Why shouldn't we build a home for indigent blind mice?" rather than, "Why should we?"

Mere talk about high taxes, because of its obvious impotence, can be dismissed as a possible means of reducing the cost of government or of making its operation yield a higher return of service and satisfaction to the taxpayer.

### Good Government Needs You

**M**UCH of the real progress toward reform must necessarily be an evolution in the relations between you and your government. Much of it must be mental insofar as it reflects a change in attitude. There are many practical ways in which you can make a desire for sound management of governmental affairs articulate.

One of them, that of using reasonable diligence in the selection of competent men for public office, is sufficiently obvious that it need not be developed here.

Another is planned work in the organizations to which you belong. This is probably the most hopeful. Your own professional organization, your weekly luncheon club, and your suburban community group can effectuate their views of governmental policy not alone by the weight of numbers, but also by the force of practical, constructive ideas.

Heretofore the tax activity of such organizations has been pretty largely confined to solemn talk and ingenious efforts toward getting somebody else to pay the taxes. They have given far too little thought to what is done with the money once it is raised and to the obvious fact that if necessary functions can be carried on with less money, all taxpayers benefit alike regardless of the proportion in which they bear the cost. In passing by the expenditures side of governmental finance, your business organization or your Rowan's club may be avoiding as interesting a job as it could undertake.

Suppose the boys gather around the luncheon table and say to you:

"Bill, some of us have been talking over a little scheme to get the city to build an ornamental bridge over Mud Creek. What do you say to us all talking to the mayor and getting him to put the thing over? It would be a great ad for Spendville."

Now if a simple, substantial bridge, or anything short of a fancy structure with a lot of flossy spangles and parapets, really will cut your artistic sensibilities to the quick, make you lose weight and snap churlishly at street urchins, you would be foolish to let a sense of public economy signal thumbs down on such an enterprise. Go right ahead and give the thing a lusty ballyhoo to the mayor.

But if you don't want an ornamental bridge, if you don't think you need it,



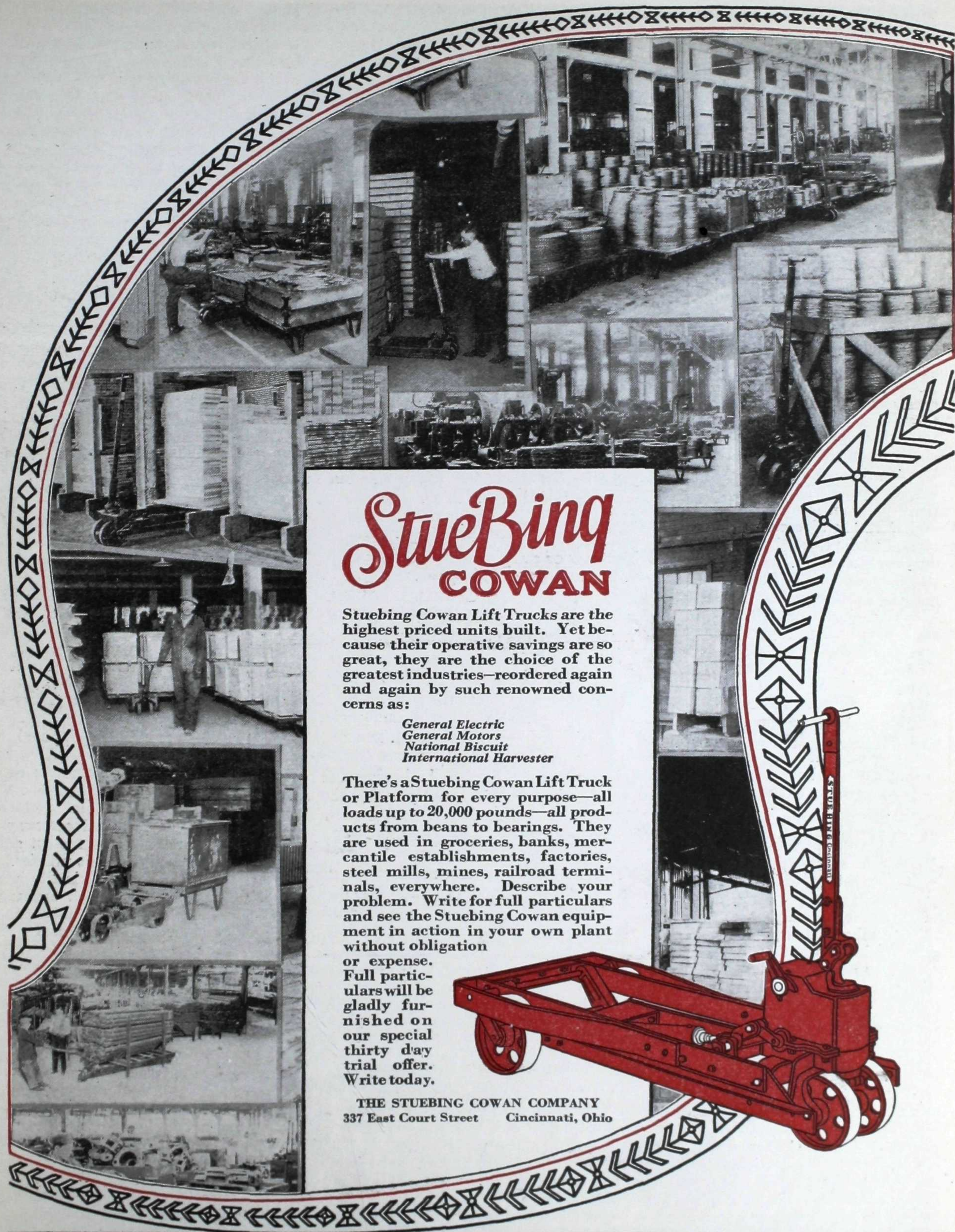
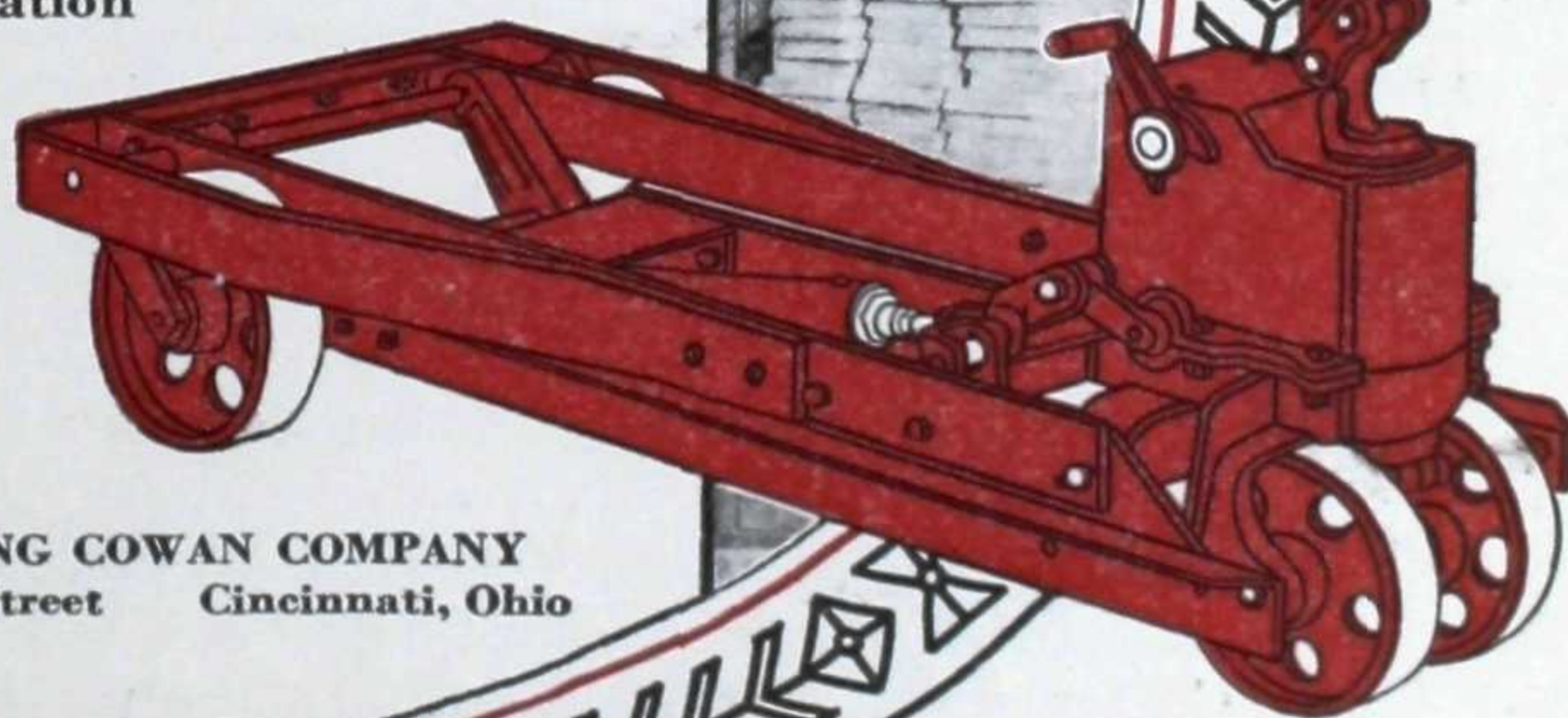
## StueBing COWAN

Stuebing Cowan Lift Trucks are the highest priced units built. Yet because their operative savings are so great, they are the choice of the greatest industries—reordered again and again by such renowned concerns as:

*General Electric  
General Motors  
National Biscuit  
International Harvester*

There's a Stuebing Cowan Lift Truck or Platform for every purpose—all loads up to 20,000 pounds—all products from beans to bearings. They are used in groceries, banks, mercantile establishments, factories, steel mills, mines, railroad terminals, everywhere. Describe your problem. Write for full particulars and see the Stuebing Cowan equipment in action in your own plant without obligation or expense. Full particulars will be gladly furnished on our special thirty day trial offer. Write today.

THE STUEBING COWAN COMPANY  
337 East Court Street Cincinnati, Ohio



*America should ship its goods on skid platforms W.C. Stuebing*



or if you don't want to pay for it whether you need it or not, the time to have a burst of self-righteous civic indignation is when the boys at the luncheon club put the proposition up to you, rather than when some sour-faced tax assessor comes around to collect the money for payment on retirement of bonds.

More seriously, it is your business organizations which give you an opportunity to make your voice felt in governmental financial questions. If you really are sufficiently exercised about high and mounting taxes to the extent of doing something about them, almost any of the commercial organizations to which you belong can tackle the job in broad-minded fashion and come out of it with a good result.

Any community or any organization of business men interested in their community ultimately will have to do some careful studying of costs. But if a thorough job of making government follow an orderly program is to be done, such scrutiny of costs might logically be preceded with a deliberate, calm survey of present activities. Continuance of existing undertakings should be justified. The results of previous expansions and extensions should be reviewed. The responsibilities or obligations of the community in the future should be weighed. Here are the rules of thumb:

Do we need it?

Can we afford it?

Are we getting our money's worth?

### Should Government Do It?

IN such an effort to determine the extent to which local government is an outgrowth of conscious planning, it can be remembered that, considering their nature, few functions now publicly discharged cannot of themselves be justified, but it is questionable whether they are proper charges upon the public purse instead of upon private enterprise or philanthropy. Maybe it would be "nice" to feed birds and squirrels in the parks throughout the year or to do countless other things which modern society may want and which small, interested groups may foist onto the Government in the absence of articulate objection. But whether many humanitarian and paternalistic schemes of that sort are justifiable as public activities is a pertinent question.

So long as children are going to school half-days in overcrowded classrooms or so long as property is protected by policemen who have to patrol twice as much territory as they can take care of efficiently, there can be honest question about just how many extrinsic activities

can or should be undertaken, however little any one of them may cost. There must be discriminating selection of just what functions the community is to discharge, with such selection taking strict account of comparative as well as absolute values and standards.

And finally, it must be emphasized that all of these questions and all of these points of view apply just as forcibly to the activities which your Government has undertaken in the past and has expanded as time has gone on, as they do to the proj-

school construction, the most serviceable kinds of pavement, the most efficient filing and recording systems, and to make comparative cost studies among comparable cities.

If taxes are higher than you can afford to pay, suppose you ask yourself questions like those above concerning the other functions which your city, if it is an average American community, is undertaking. Here are some of the other functions:

Police protection.

Fire protection.

Maintenance of numerous courts.

Holding primary, general and special elections.

Erecting bridges and other public works.

Supervision of buildings, plumbing, weights and measures, electric wiring, boilers, billboards, signs and public eating houses.

Humane protection of animals.

Public employment agencies.

Supervision of numerous private businesses.

Keeping of records.

Reporting of statistics.

Prevention of communicable diseases.

Medical and dental attention to school children.

Control of dairies and milk supply.

Construction and maintenance of sewers and sanitary projects.

Sewage disposal.

Street cleaning, repairing and lighting.

Snow and ice removal; cutting weeds in vacant lots.

Construction and maintenance of municipal waterways.

Purchase, construction and operation of public utilities.

Maintenance of institutions for the poor and for orphans.

Institutions for insane and other unfortunate persons.

Hospitals.

Prisons, penal farms, workhouses, detention homes, psychiatric wards, probation boards and officers.

Libraries.

If expenditures and taxes should increase as a result of the examination and rearrangement of functions, such a result at least would be the outgrowth of sound planning instead of willy-nilly spending. If taxes should be lowered, such reduction would be a welcome by-product.

It is the peculiarly local situation in your town and that in the town 20 miles away, along with conditions in countless other towns spread all over the continent, that cumulatively comprise the national problem of state and local taxation and expenditures.

Amounts of expenditures are incidents, even though important ones; results, or a dollar's return for every dollar expended, are the prime objective.

## QUOTABLE QUOTES

### of the Month

THE POLITICAL problem of mankind is to combine three things: economic efficiency, social justice and individual liberty.

J. M. KEYNES,  
*English Economist*

MANY MEN FAIL in the fruit business because they put the lemons up front. Many men fail in life because they do the same thing.

AMEDEO OBICI,  
*President, Planters Peanut Co.*

THE LAW OF cause and effect cannot be repealed even by resolutions of Congress.

SAMUEL O. DUNN,  
*Editor, Railway Age*

WE ARE PAST the point where a little education is a dangerous thing.

IRVING T. BUSH,  
*President, Bush Terminal, Brooklyn*

THE FUTURE IS as real as the past . . . and can scarcely display less humanism or intelligence.

CHARLES A. BEARD,  
*Eminent Historian*

IS IT NOT time we discovered what laws are really for, and according to what principles they should be compounded?

KATHARINE FULLERTON GEROULD,  
*Author*

YE SHALL KNOW the truth and the truth shall make you mad.

ALDOUS HUXLEY,  
*Author*

ects for new schools, new sewers, new buildings, new parks, and the host of other things which are on the municipal horizon for possible future undertakings.

### What Does a City Need?

WHAT does your city need in the way of schools? What can it afford? What does it now have and what are you getting for money now being spent? What do you need in the way of paved streets and alleys? What can you afford to provide? Have you gotten your money's worth in construction adapted to your needs for what already has been expended?

Those questions have their counterpart in every municipal and other local governmental function. After they have been answered is the time to go into costs, to determine the most economical types of



# Burroughs

# *Electric*

## CALCULATOR

**\$300**

DELIVERED  
U. S. A.



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# Ridding Business of Bribery

By SHIRLEY D. MAYERS

Cartoons by J. D. Irwin

**E**VERY business man has been offered a cigar by a salesman. A simple act of courtesy, perhaps an inconsequential thing, but—could it be called commercial bribery?

Going a step further the salesman takes his customer out to dinner and to the theater. Is that commercial bribery?

A "pro" golf player accepts "Bobby Smith Jumper" balls by the box free of charge from Mashie & Niblick, Inc., in exchange for recommending that brand of balls to his friends.

Is this common practice to be called commercial bribery?

The superintendent of the Sheepshere Woolen Mills sees to it that "Woolrinse" soap is used exclusively at the mills in the manufacturing processes and gets a secret commission from the soap company of one cent on each pound of soap shipped into the mills or a total of \$2,664 in eleven months. Is that commercial bribery?

"Well, what of it? Who wants to know?" asks the secretary of the National Association of Sky Writers. "What has that to do with the price of butter and eggs?"

"Everything," replies an economist from the Bureau of Trade Relations. "Every time a salesman entertains a customer or a soap company pays a penny graft on a pound of soap, it means that the commodities they sell will have to be priced high enough to cover the cost of these gifts. In the end you and I must foot the bills for the gifts and the graft."

"Then this commercial bribery has a direct effect on the cost of goods to the consuming public?"

"Yes, and it is unfair competition of the first order because it gives to a man selling goods of no better quality than those of his competitor an unfair advantage over the competitor merely be-

**THERE** is a story that President Coolidge went to church one morning unaccompanied by Mrs. Coolidge. When he returned she asked him the subject of the sermon he had just heard preached.

"Sin," answered the President succinctly.

"What did the minister have to say about it?"

"Against it," Mr. Coolidge informed her.

The story illustrated the President's hesitation at wasting words but it has its bearing on this article. All of us agree that bribery is a sin but not all know just where the sin of bribery begins and where it ends. Often it is hard to decide—*The Editor*

cause he is willing to shell out a little graft."

He spoke as an economist rather than as a lawyer.

## Is It Fair or Not?

**T**HE courts have not generally accepted commercial bribery as unfair competition, when it has taken the form of gifts or entertainment.<sup>1</sup> The business world, however, considering it broadly as involving gratuities in money or goods, has regarded it as unfair competition.

The Chamber of Commerce of the United States declares in its eleventh principle of business conduct that

"Unfair competition embracing all acts characterized by bad faith, deception, fraud or oppression, including commercial bribery, is wasteful, despicable and a public wrong."

This unfair competition is a big business and nobody knows just what it costs the people of the United States. Actual statistics would be startling.

And the enormous monetary loss is not all. Some individual self-respect disappears

with each shady dealing. A man cannot get away from the idealism that is a part of him. The strange feature is that many

<sup>1</sup> The federal courts now have before them a case from the Federal Trade Commission involving secret payments of cash as "gratuities" by a varnish company. The result may establish an outstanding precedent on commercial bribery as a method of unfair competition.

a one who would not stoop to take advantage of his opponent on the golf course, would nevertheless not hesitate to deal against him behind his back in the dark alley of unfair business.

Of unfair competition in its many forms commercial bribery probably leads in the way of being spectacular. It is hard to get at because it is essentially secret and it is to neither party's advantage

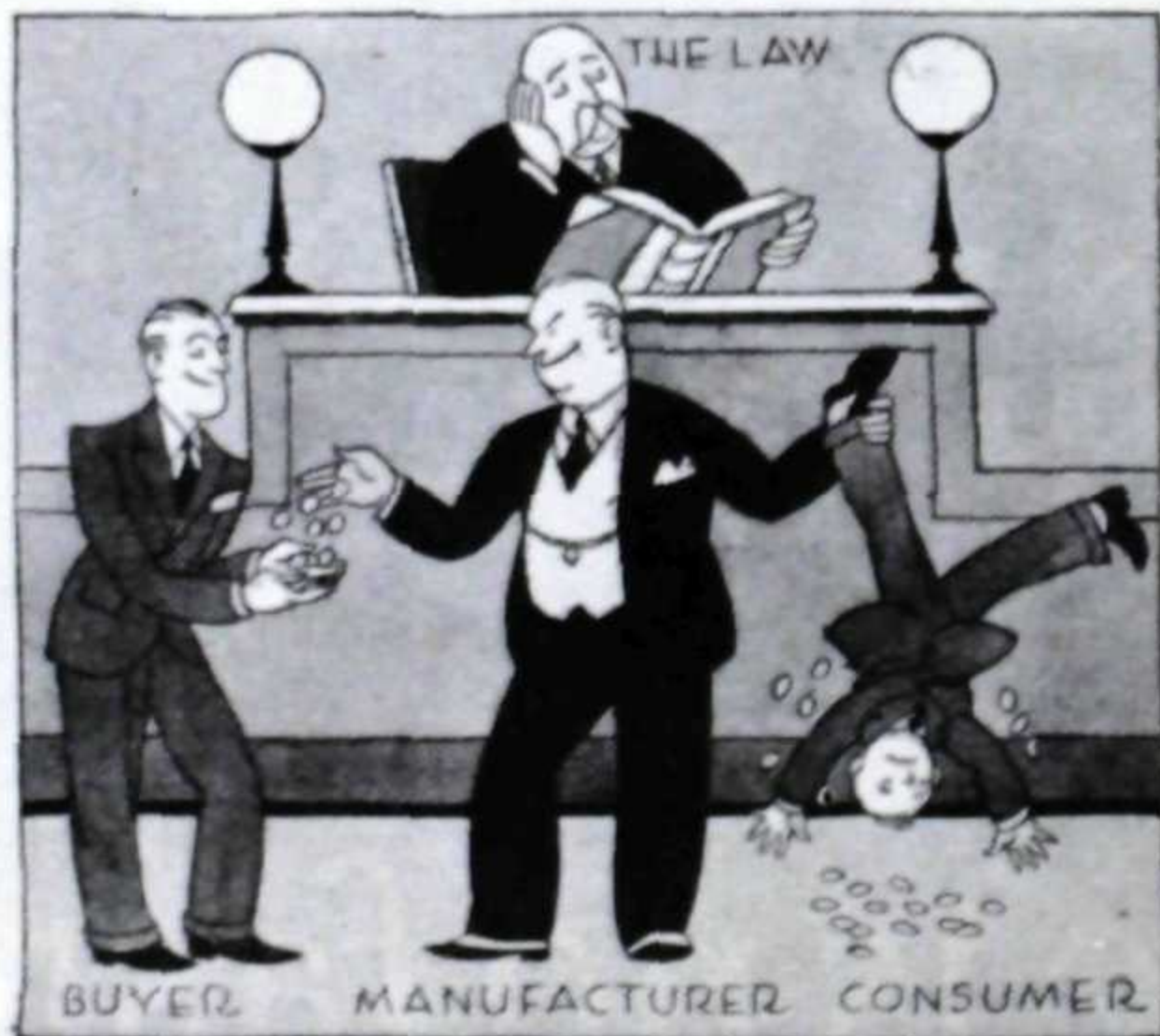
to talk. Some examples of it are flagrant violations of the law. Other practices are on the border line, poised doubtfully between what is fair and what is unfair.

Trouble may begin in a simple way. There is the salesman offering a cigar to the representative of a customer company. The customer's man dines and sees a play at the expense of the salesman's house. In a poker game the salesman loses consistently to the customer's man up to a figure amounting to ten per cent of his bill against the customer company. The weak recipient gratefully uses his influence to get orders from his company for the salesman, albeit quietly and without his own boss' knowledge.

A subsidized subordinate is a costly luxury to his employer. Imagine what these transactions ultimately cost the customer, because every cent of what the drummer sinks in cigars, dinners, poker losses, is carefully accounted for and becomes part of the price of the goods.

"The salesman who treats a buyer to an expensive evening's entertainment and the buyer who accepts it are together in a conspiracy not only to thwart the business interests of their own employers, but to mulct the consumer as well," said the National Distribution Conference of the United States Chamber of Commerce. "What values are likely to be given in merchandise sold on such a basis, what values are likely to be insisted on by the buyer, and where does the consumer get off?"

The proprietor of a confectionery store accepted regularly from an ice cream manufacturer first the ice used for packing ice cream in the fountain, then the paper cups in which he served his sodas and drinks. Next the manufacturer donated holders for the cups, the holders bearing the name of the ice cream com-



Courts haven't accepted commercial bribery as unfair competition



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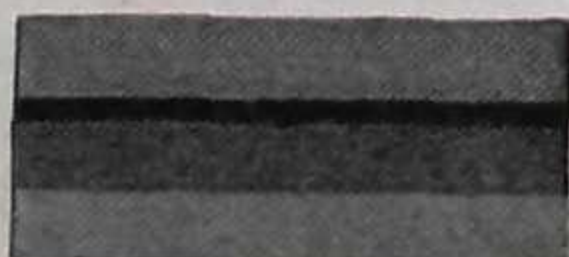
And the distinctive thing about it is its newness....it is presented by Gillette for the *first time* this Christmas. You can be sure when you choose the Fifty Box for him that he has never before received a similar gift for Christmas—or any other time.

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In poker the salesman loses consistently to the customer's man

pany. There was some semblance of fair exchange here—the holders and cups were advertising.

Later the ice cream maker kindly furnished spoons. It got so the confectioner expected these services. Not satisfied finally with an entirely new soda fountain he demanded that he be provided with a new plate glass front for his store and a new concrete walk in front—all because he bought the ice cream maker's ice cream in preference to another's.

The foregoing episode is not intended as an illustration of formal bribery, which it obviously is not, but rather as an example of the extremes to which some enterprises can go in this costly practice of gift giving—and to suggest the question of who pays the final cost.

### Custom Forces Practices

**T**HE plight of the ice cream maker suggests that questionable trade practices are not always voluntary on the part of the man who sells the goods. Custom plays a strong hand.

"My competitors do it so I must do likewise to keep in the swim," a merchant explains. "It has always been done," he cries.

But custom is no defense, according to modern apostles of fair trade, and as Morten Q. Macdonald, Washington "apostle" and student of commercial bribery, aptly puts it, "Antiquity is no defense of iniquity."

Manufacturers of golf balls succumbed to custom for years then rebelled. They met in conference and decided to outlaw unjust trade habits. Professional players and instructors at golfing clubs in some instances secretly received yearly salaries for playing the ball of a particular manufacturer or marketing company, while winners of championships also secretly received special prize money for playing a particular ball.

The manufac-



Some manufacturer began the practice of giving balls to "pros"

turers' conference marked a favorable start toward eliminating these practices.

Professionals also were accustomed to obtaining golf balls free of charge because some manufacturer once began the practice of giving balls to a "pro," who would use his brand exclusively then carefully let everyone know that he used it.

The other ball makers had to follow suit to keep in the competition and it was expensive competition. The result was a market saturated with well press-agented spheres. And who bore the cost?

A sheriff enjoying a large acquaintance throughout his county was known for his frugality. He was not a pauper but it simply was not his nature to be a spend-thrift. Yet one day he aroused the curiosity of his neighbors by discarding his old "Model T," not for one of the new Fords, but for a larger car. The answer was that he did not have to buy the new machine with his own money—all he had to do was sell his good name and ease of conscience.

Kilgore County's jail was not pleasant to contemplate from the interior, neither was it a delight to smell. There was a musty staleness, with a sharp overtone of disinfectant. This disinfectant was used in large quantities not only in the jail but all through the county poor-house, the orphans' asylum, county school, stables, in the corridors of the old court house and in the "squire's court." The county officially reeked with it.

The Banodor Chemical Company, jobbers, sold not only disinfectant but such products as soaps, greases, and oils, all of which were generously purchased and paid for with the people's money for use in the institutions of Kilgore County. In four years time the bill of goods had mounted upward. The sheriff's term was about to expire but he was in a position to name his successor and that situation guaranteed four years more of Banodor supplies for the county.

Thus it was as a bonus or remembrance that the new automobile came to the sheriff from Banodor in recognition of his "taking care of" the company in the matter of purchases.

Really, he should have thanked the taxpayers who elected him to office. It was they who paid for his car.

In the town where this owner of the people's automobile resided there was also his younger brother, who subcontracted for specific work on new buildings about the country. He was an alert chap, seemed able to sense new building operations in the air six months before the foundations were started. He had studied

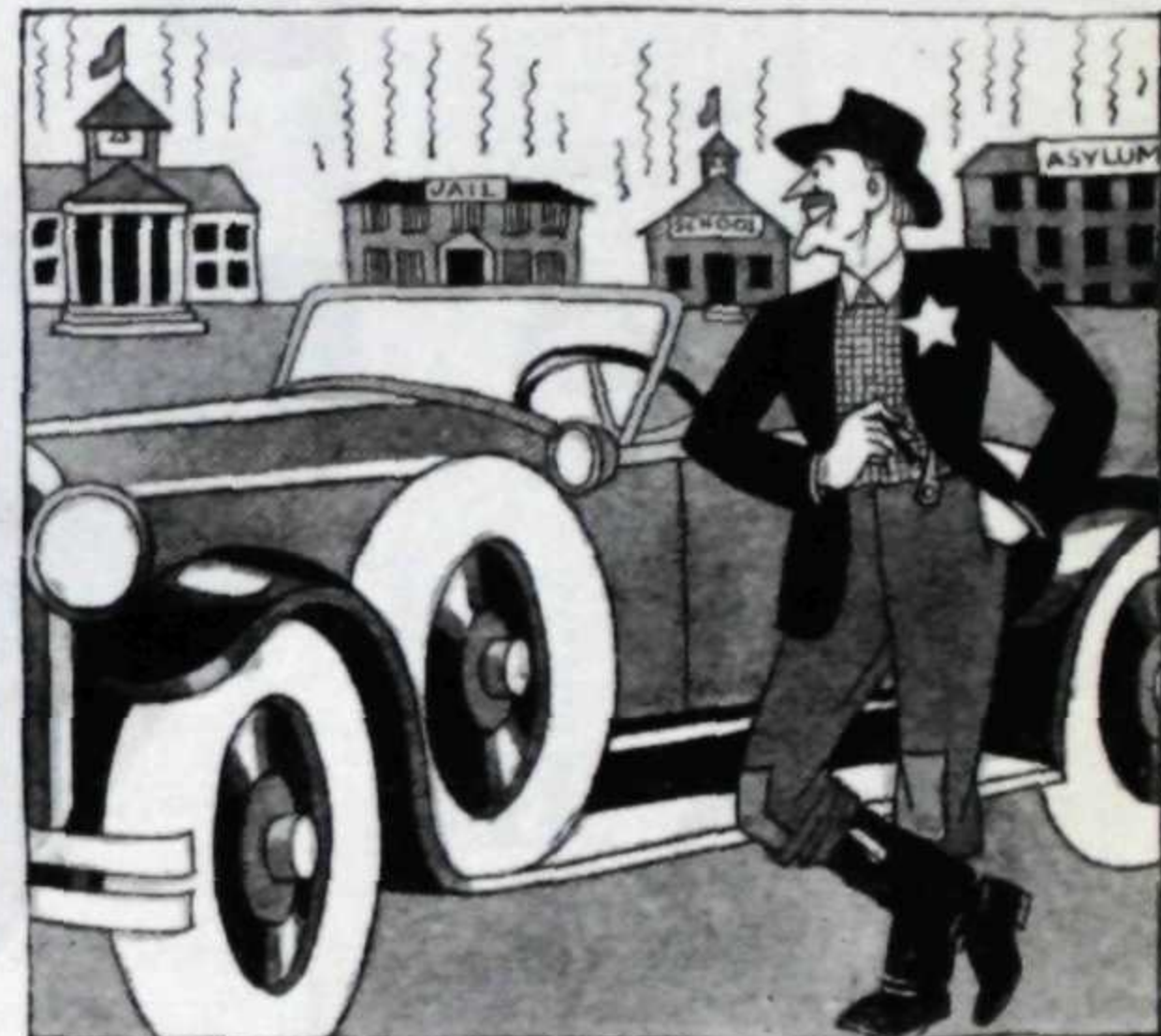
architecture along with his course in engineering and whenever he got the tip that a new building was to go up he would set about drawing a proposed plan for the building to coincide with what he thought would please the owner's fancy.

It wasn't as difficult a feat as might be imagined, in this day of standardized building construction. If the owner should approve the plan the subcontractor would let him have it for a small sum provided that he, as the architect, although an undercover architect, would have the privilege of examining all bids for subcontract work as they came in. Thus the young subcontractor, in his role of architect, held an exclusive advantage over the other bidders, not to mention his unfair competition with the regular architects. All he had to do was to bid a price that would fetch him the contract.

He had bribed the owner of the building with a practically free architectural plan so that he could unfairly compete with other subcontractors in the bidding.

### On How to Sell Soap

**H**OW specific amounts were paid for bribery is revealed in the unlovely situation of the general superintendent of a woolen mill. A soap company selling its



He aroused curiosity by discarding his old Ford for a larger car

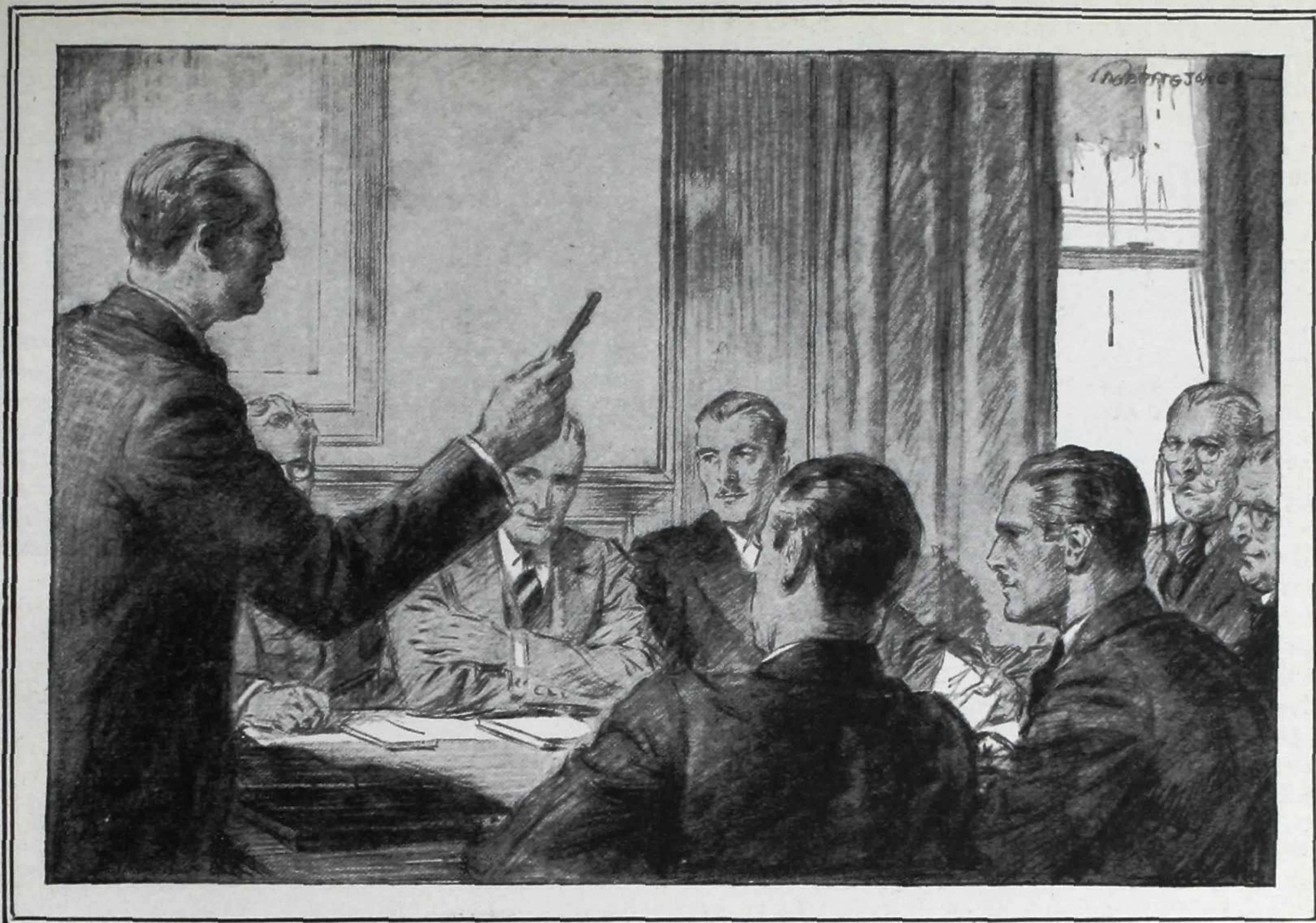
product to the woolen mill company through a surreptitious arrangement with the superintendent concealed the transactions by depositing money to the credit of the superintendent in banks outside of his own town. They sent him the bank books which showed deposits ranging from \$55 to \$985 and totaling \$2,664 in eleven months.

The "commission" was paid on every barrel of soap that came into the plant except the "one best barrel in every lot that was laid aside because it was too good a grade to be paid on," as was testified. It was customary for one good barrel of soap in every lot shipped to be kept aside by the overseer for analysis and inspection.

A nail would be placed in the plug of that barrel or else a batch number on the head of the barrel would be different from numbers on other barrels. The customary commission was one cent a pound of soap shipped.

There is an old tradition in the furniture trade that every manufacturer be-





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“We gave you these numbers to build *additional* business—not to make a switch from the numbers we've worked years to establish. And now you say business is poor—that our older numbers are dead—you can't move 'em! You're wrong—they're not 'sleepers,' you fellows are neglecting them!

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believes his own foreman finisher to be absolutely honest yet for two generations the industry had been plagued with the bribery of foremen finishers by paint and varnish companies who were willing to pay to get their paints and varnishes used. The foreman finisher in a furniture shop has a Mussolinian status when it comes to dictating what varnish shall be used, and the finish is all important—it can make or break the reputation of the furniture.

An honest varnish salesman will visit the purchasing agent of a furniture house. He will show records of the use of his varnish by numerous prominent companies. The purchasing agent will point to a report received from the foreman in which the salesman's varnish repeatedly shows bad tests.

The foreman's recommendation goes and the salesman's product is not bought. The salesman's company was not paying anything on the side to the foreman and its varnish was either misused or the foreman just simply refused to recommend it. The firm that paid the money gets its varnish sold.

#### Finding Good Varnish

ONE employer decided to run down this practice by arranging to have all samples shipped into his factory in plain cans. This fooled the foreman, who unknowingly approved the varnish that he formerly condemned. Another employer tried the same trick but his foreman was more subtle. He arranged with the varnish company he had always favored to mark its plain cans with an X so inconspicuous that ordinary observation would not reveal it.

Of course hundreds of foremen finishers are honest. The bribery situation has

improved more than ninety per cent in ten years and the paint, varnish and lacquer industries are seeking to banish it entirely.

Recently the three groups met in a conference sponsored by the Federal Trade Commission and passed resolutions that would outlaw payment of secret commissions or gratuities to employees of customers, and would give the Federal Trade Commission unrestricted access to records of the industry which might be necessary for investigation of commercial bribery. This last action is unique and indicates that the industry is advancing toward attainment of sound trade relations. It has officially recognized the high cost of commercial bribery.

What price commercial bribery? A few typical instances of actual expenditures will indicate what the cost is to the public.

Bribery expenditures of a dry dock and shipbuilding company under the heading "gratuity" totaled close to \$90,000 in about three years.

A sailmaker admitted under oath that in 20 months his company paid "commissions" amounting to \$4,500, and, had it not given captains these gratuities he could have made and would have been inclined to make the price five per cent lower.

A company manufacturing dyes paid secret commissions to employees of customers amounting in one year to between \$30,000 and \$40,000, or from eight to ten per cent of its total sales. These commissions were taken into consideration in making up the cost of the goods and were charged to salary. A representative of the firm admitted that bribes increased the selling price and that the same goods would have been sold for less

money if gratuities had not been given. A generation ago business men sought to curb bribery through legislation but the great difficulty was to apprehend the guilty parties. Bribes are made in secret and it is to the advantage of neither party to talk, so later attempts at legislation have sought to give immunity to the first informer as a means of prying loose the information.

#### Legal Action Has Failed

APART from several comprehensive hearings before House and Senate committees no great progress has been made toward enactment of new federal laws covering commercial bribery.

State legislation against bribery has not been a notable success. Sixteen states have such laws but there have been few prosecutions. Except in Louisiana, Michigan, and New Jersey, each state considers both parties equally guilty so that the law in effect prohibits a secret practice. The difficulty of enforcement under these laws is obvious.

The legislative remedy then has not materialized.

Back in 1905 the subject of bribery of foremen finishers had been seldom if ever mentioned in open meeting by varnish and furniture men. Then one manufacturer, in writing to the editor of a trade paper, declared, "The varnish makers can eliminate this evil themselves if they want to." That was a forecast of what is happening today throughout all industry.

And that is the point up to which I have been leading. If business would be rid of bribing, then business itself must do it. Industry can clean its own house if it will, and it is better that the housewife should do it than a policeman.

## What's Ahead for Congress

By FRED DeWITT SHELTON

AFTER a vacation of six months Congress, on December 3, takes up the bundle of knotty problems left on the docket last Spring. During the interim a new President has been elected and likewise a new Congress. However, it will be the present Congress which will function for the three months of the short session.

The so-called "Lame-duck" term of Congress preceded by a presidential election, to be followed by the inauguration of a new administration, presents a set of circumstances which have a direct bearing upon the legislative outlook.

With the elections out of the way certain psychological impediments have been removed and it will be easier to get action on some subjects previously avoided because of the impending elections. Most major issues, however, will be held in suspense awaiting the advent of a new

administration and a new Congress with the result that little will be done in the short session of Congress concerning new proposals.

#### Balancing the Budget

THE three-months session will be consumed to a great extent by work on the annual departmental appropriation bills. The statement by the Bureau of the Budget that present figures indicate a deficit of \$94,000,000 may inject a spirit of economy and work as a curb on congressional extravagance. On the other hand, there will be a disposition by many to discount that pessimistic forecast in view of continued prosperous business conditions with resulting tax returns at a high rate.

Looking to the balancing of the budget, President Coolidge has expressed the hope that Congress will refrain from authoriz-

ing any new large appropriations in the current year. The President also hopes that budget needs may be partly met by the sale of Shipping Board vessels under the terms of the Shipping bill passed in the last session of Congress.

The unfinished business left last March will retain its place on the legislative calendars. Several bills are at the stage where only a final vigorous shove is needed to make them law.

#### Some Unfinished Business

THE Boulder Dam bill was left the unfinished business of the Senate, after having passed the House. As matters stood final enactment of that twelve-year proposal seemed imminent. During the Summer, however, a presidential board of engineers has looked into that colossal engineering project and will report to Congress on its feasibility. The nature





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of the report will have much to do with the attitude of Congress and the Administration with respect to the plan before Congress. The prospect for enactment of the Swing-Johnson bill, however, is favorable.

### Railway Consolidations

THE Parker railway consolidations bill stands a good chance of favorable action if leaders in Congress decide to put their strength behind it. There is reason to believe that it will be given strong support from the White House.

The Senate will have before it the bill passed by the House prescribing a program for building 15 cruisers and an air craft carrier to cost about \$274,000,000. Various antiwar organizations vigorously oppose this proposition but the bill in its present form seems likely to be passed.

A \$48,000,000 river and harbors bill will be brought forward. It contemplates a twenty-four-foot Great Lakes waterway and a continuation of rivers and harbors improvement.

### Farm Relief

FARM relief problems will be regarded as the heritage of the new administration. In fact, there is strong sentiment for an extra session of Congress after March 4 to deal with the subject and such a session is more likely than not. The Winter, however, will bring forth plans that may serve as a basis for eventual congressional action.

### The Tariff Issue

THE Senate will have before it the report of the special committee which investigated administration of the tariff laws. A recommendation of that committee was that the flexible tariff clause be repealed. There is a strong possibility that the United States Tariff Commission will have some legislative recommendations to place before Congress. It is likely, however, that all tariff legislation will be put off until 1929-30. The tariff, following farm aid efforts, will be the next big task for the national legislative body.

Legislation for creation of foreign trade zones in American ports is before the Senate. This question is being studied by the Shipping Board and legislation is likely to wait until that study has been made.

### Government Reorganization

A START will be made on reorganization of governmental departments—that is, proposals will be advanced. It will take years, however, to bring tangible results. Related proposals such as creation of a Department of Public Works, centralization of administrative control, and coordination of federal public health activities may receive attention.

Strong effort will be made to advance the bill before the House Committee on Education which would create a Department of Education with a secretary in the President's cabinet. Its passage by the present Congress is extremely unlikely.

### Distribution

PASSAGE of the measure whereby the 1930 census will include a census of distri-

bution is virtually assured. It already has passed the House.

The Kelly-Capper resale price maintenance bill persists as an issue having ardent partisans on both sides. The Federal Trade Commission is making an investigation of this subject and Congress probably will await the Commission's report.

### Some Foreign Affairs

DESPITE world-wide acclaim of the multi-lateral treaty for the renunciation of war there probably will be extensive debate in the Senate before ratification. Shortness of the session might even prevent ratification.

The attention of Congress will be directed toward the World Court because of the pending Gillett resolution looking to renewed efforts by our Government to bring about acceptance by foreign governments of the terms of the Senate resolution for adherence to the Court. It is understood that Senator Gillett will make a vigorous effort to secure action on his resolution.

Events in Europe may bring back to the American Congressional arena the Mellon-Berenger agreement for settlement of France's war debt to the United States. Congress has awaited ratification by the French Parliament, which now appears imminent.

There is a fair chance for legislation to put into effect the Hague Rules for uniform ocean bills of lading. A measure regarded as suitable by most interested parties was introduced in both houses last Spring.

### Bus Line Regulation

POLITICAL consideration plus a sharp division of sentiment have retarded action on the pending measure for federal regulation of interstate motor buses. There is definite support for such legislation among railway leaders who find unregulated bus lines a competing factor hard to meet. The bus interests want legislation only to the extent that it will aid and stabilize their operations and not hamper them.

### Water Resources

WE LOOK for the Muscle Shoals project to remain an unsolved problem for some time to come. This and other water resources problems, however, will engage the attention of Congressmen for discussion.

The bill to provide for expansion of the activities of the Bureau of Fisheries and two Senate measures relating to load lines for American ships may be considered by the House Committee on Merchant Marine and Fisheries.

### Banking Proposals

THERE will be bills in Congress to permit states to tax shares of national banks but it seems certain that the combined opposition of both state and national banks will block progress of such proposals.

Another banking measure in the offing is the Brookhart bill to limit Federal

Reserve Bank interest rates in relation to member bank loans to customers. Indications are that it will gather little or no momentum.

### Cuban Parcel Post

IT IS possible that Congress will take action on the Watson bill, which would remove import restrictions now standing in the way of a parcel post convention with Cuba. Much will depend on how vigorously American business men cite the lack of Cuban parcel post facilities as a detriment to American trade with Cuba.

### Coal Regulation

JUST prior to the end of the last session of Congress a bill prepared by the counsel for the United Mine Workers of America was introduced in both branches of Congress which would provide federal regulation of the bituminous coal industry. Subsequent events make it extremely unlikely that this bill will make progress.

### Federal Courts

THERE are on the docket a number of bills directed at changes in the jurisdiction of federal courts.

The Shipstead bill would prevent equity courts from issuing injunctions for the protection of private property unless tangible and transferable. Hearings on this bill are expected shortly after Congress meets.

The Norris bill which would take from the federal courts jurisdiction of cases based on diversity of citizenship, was reported from committee to the Senate but there is small prospect of its passage. The same outlook exists for the other bills in this group.

Various measures have been put forward to deal with future trading in cotton and grain. The principal development has been in connection with the Vinson cotton bill which is modeled after the present Grain Futures Act. It has been reported from committee.

### Latin-American Road-building

SENATOR Oddie of Nevada has introduced a bill to authorize the President to detail engineers from the Bureau of Roads to assist Latin-American governments in building highways. The bill has the support of the automobile groups and the Pan-American Union. Some societies of engineers, however, oppose sending government engineers for such work. The bill has been reported in the Senate and has a good chance of passage.

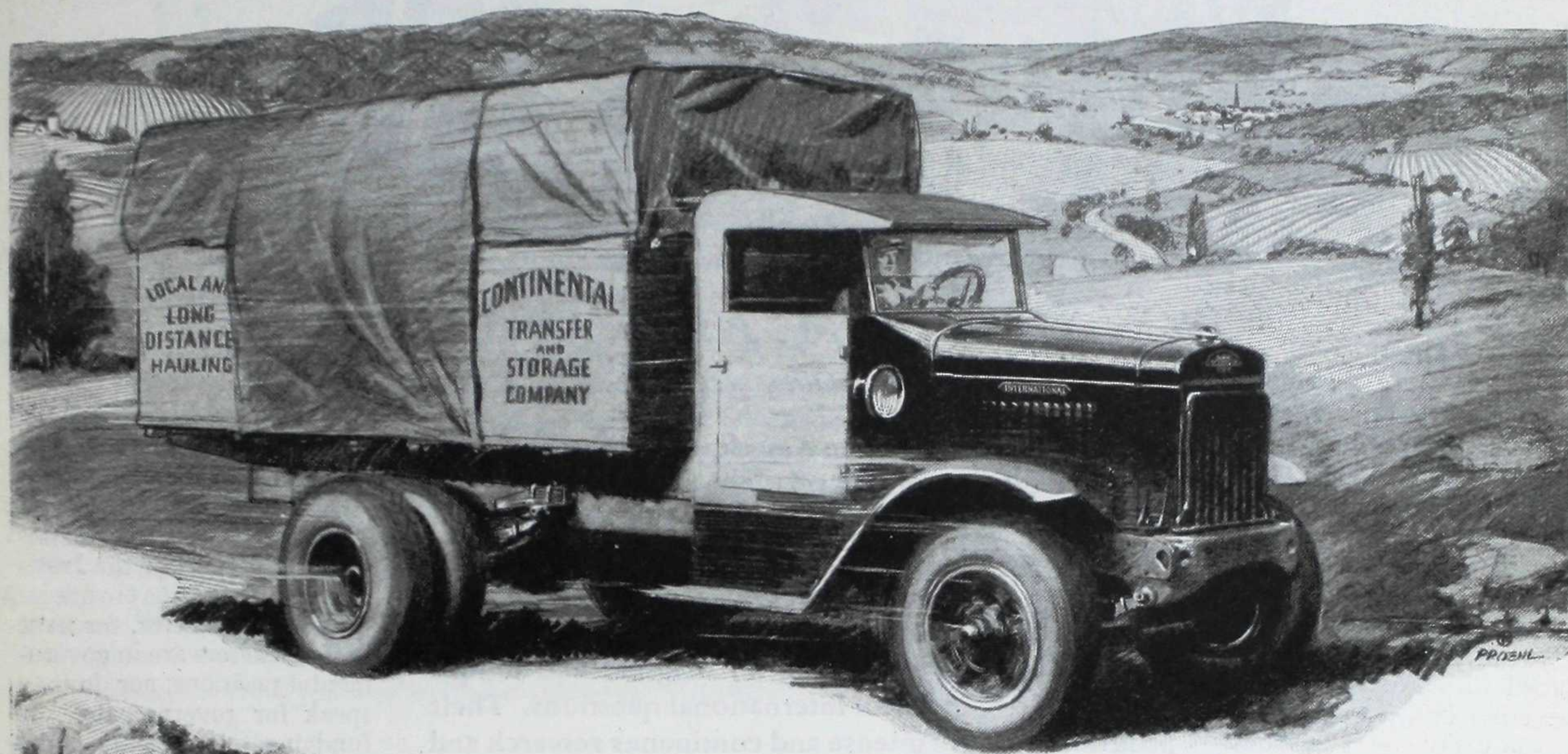
### Immigration Proposals

THERE will be a drive to secure a repeal of the national origins clause from the Immigration Act of 1924. It will be repealed if brought to a vote in both Houses.

The pending proposal to apply the immigration quota to Western Hemisphere countries probably will not be enacted during this session. Agitation, however, will continue and sooner or later a measure of this character will be put through unless a change takes place in the immigration situation.



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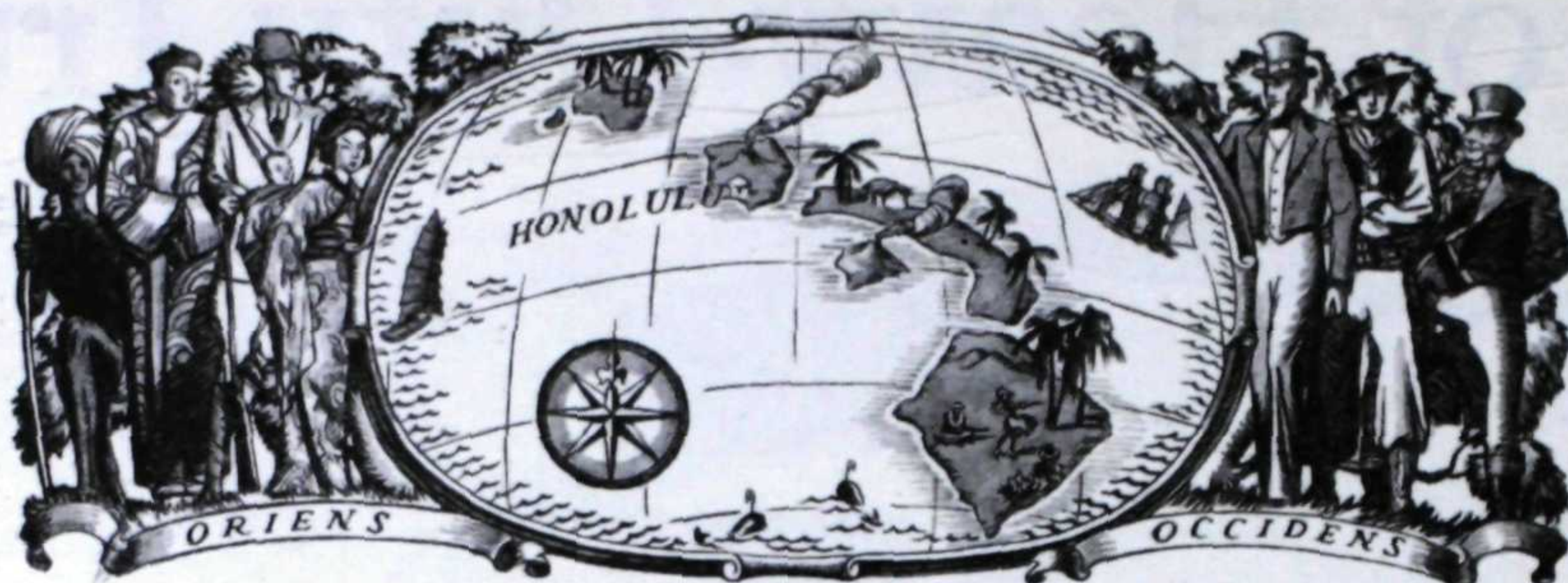
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# A Shock Absorber in the Pacific



By WALLACE M. ALEXANDER

*President, Alexander & Baldwin, Ltd., San Francisco, Calif.*

**E**VERY one probably would agree that the Eastern Hemisphere is a physical feature of vital importance to the existence of our world. Yet it is a fact that the Western world has been little concerned with where and how the other half lived. True, we can easily credit missionary zeal and armed penetration with an expansion of our first national outlook on the Pacific area. But it was not until 1925 that a means was provided for the international exchange of information on Pacific problems.

The origin of this enterprise is directly traceable to a group of business and professional men in Hawaii. Living at the "cross-roads" of the Pacific, they were in position to see the need for promoting better understanding of the countries and the peoples of the Orient. The establishment created by their foresight is the Institute of Pacific Relations. Its nerve center is in Honolulu, and it has representative contacts to ascertain thought and feeling in Europe and the Americas, as well as in Asia.

The interests of the Institute take their direction from a council, which is composed of one representative of each national group in the federation which it comprehends—in this country, the American Council of the Institute of Pacific Relations, headed by Dr. Ray Lyman Wilbur, president of Stanford University. Australia, Canada, China, Great Britain, Japan, New Zealand, and Hawaii also have representation in the council. France, the Netherlands, and the South American states will be eligible for participation as soon as they can provide suitable group organizations. A central secretariat is established at Honolulu, with J. Merle Davis at its head.

IT IS a hopeful sign when American business men take an active interest in our relations with foreign countries. They appreciate that foreign relations are human relations and that from small misunderstandings too often grow commercial and even armed warfare.

Here is a story of 160 such business and professional men who are trying an original and unique method of dealing with international questions. Their program includes intense and continuous research and regular meetings where leaders of all Pacific nations discuss frankly the most disputed and controversial questions in a friendly atmosphere.

Business men attending the Western Division Meeting of the United States Chamber at Honolulu this year heard at first hand of the Institute of Pacific Relations, and the Western Division by unanimous vote recorded its belief in the fundamental soundness of the principles under which the Institute is proceeding. It further recommended that its members recognize and support the Institute in its efforts to improve the social, political and industrial relations of the nations bordering on the Pacific—*The Editor*

The 160 members of the American Council are responsible for the organization of the studies and researches that may be necessary in the United States in preparation for the round-table discussions at the biennial conferences, two of which have been held in Honolulu, one in 1925 and one in 1927. The next conference will be held in November, 1929, at Kyoto, Japan. This Council is also charged with the work of interpreting the conferences to the American people, and with interesting other organizations in Pacific problems.

## Contributions Support It

**F**INANCIAL support is contributed by individuals, organizations, and foundations, though each national organization is expected to be self-supporting in its own country. For 1928, the combined budget for the Institute and the American Council was \$130,000, with an additional

\$128,000 required for special researches requested at the last conference.

Perhaps the most distinguishing quality of the Institute's representation is its unofficial character, for none of its members are in governmental positions, nor do they speak for governments. As fundamental, certainly, is the Institute's avowed policy to refrain from resolutions, conclusions, or decisions. It merely develops and disseminates information.

The Institute's findings neither bind nor loose. As a happy consequence, discussion is freer—so free and frank, in fact, that complete publicity of all the discussion is not possible.

## Conference Settles Affairs

**N**O one has proposed a better way than the conference method of sifting international affairs, and it is clear

enough that the problems of the Pacific are sufficiently intricate to invite the focus of our best thought.

China's internal problems are vast and confusing, and their solution must be found within the moral processes of economic and political development.

Japan must find a vent for her increasing population. How are 60 million people to live where 30 million were before able to wrest only a hard living from the soil?

By industrialization and export trade, apparently, but industrialization of whom and export of what?

And it is becoming increasingly obvious that Manchuria's involved political and economic status constitutes a challenge to that new diplomacy of conference and international understanding which the Institute typifies.

A tide of missionary enterprise carried us into Hawaii, but it was war that com-



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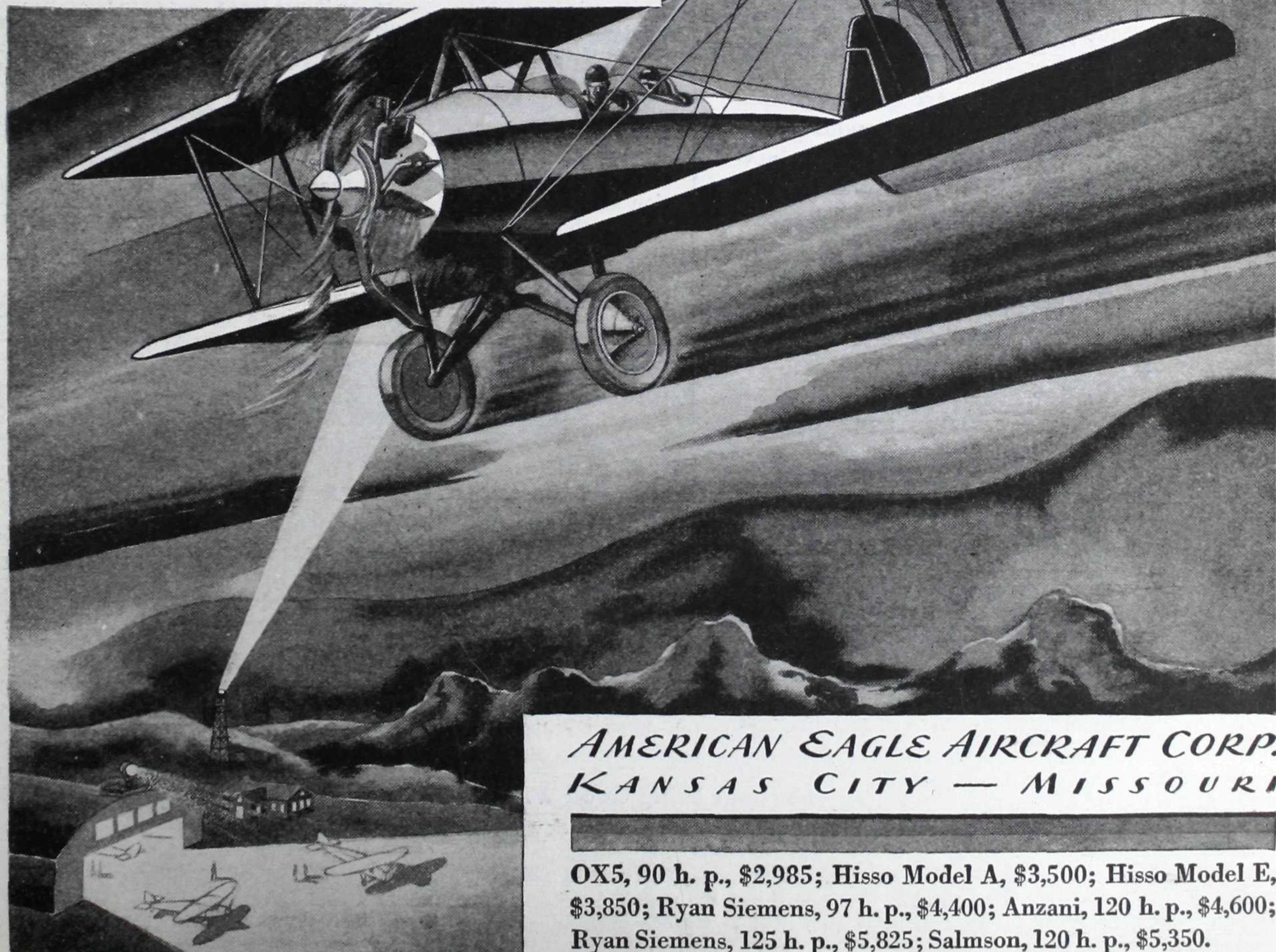


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mitted us to a national interest in the Pacific, and at the end of the nineteenth century we found ourselves with a watchtower in that unknown world and our sphere of influence almost in contact with the eastern edge of Asia.

With the completion of the Panama Canal and the development of new steamship lines, and with the consequent expansion of trade, everything in this new world is in a doubtful state of equilibrium. There are gloomy prophets, of course, who go on talking about "the inevitable war in the Pacific," and for ready tinder they profess to see China or the Philippines or Immigration. But there is no international problem, no Pacific problem, that cannot be solved on the basis of reason and justice to all concerned in it.

### International Accord

**T**HERE is plenty of evidence for the belief that the Pacific area provides the world's greatest opportunity for the sympathetic accord of nations.

The optimist's viewpoint is that anything is possible in spite of race, creed, or national outlook. It is a question of alternatives. One thing is sure—we must have international education before we can have international understanding. There must be study before there is effective diplomacy. The state of our own knowledge of the Pacific has been measured in the commentary that we are more interested in reading about Mussolini than about the Philippines, more absorbed in reports of airplane flights to Hawaii than we are in knowing the Islands themselves. Superficial as that appraisal may seem, it is a fact that the recent Immigration Act jarred the public into a consciousness of the East.

Even a casual consideration of increasing population and insufficient food supply in Asia brings the disturbing realization that the diplomatic machinery inherited from the nineteenth century is inadequate to deal with such a problem. The trouble is that diplomacy has continued to move within the orbit assigned to it in the days when relations between the states were simply envisaged in war or peace.

Now, the problems of the Pacific are larger than the protection and adjustment of missions; they comprehend the adjustment of "the great civilized backbone of the human race"—a major operation by any standard of practice.

That consideration brought the Institute of Pacific Relations into being. It is a new device born of new problems in a new world. It was designed to meet a situation, which, to a certain extent, is outside the experience of the old world.

It is well, perhaps, to try to define the

functions of the Institute with regard to their parliamentary significance. In its purely political function, the Institute is inquisitive and deliberative without any attempt to act or to decide. It endorses no expedients and proposes no remedies. Dedicated to complete freedom of expression, it is finding one of its chief distinctions is a capacity to listen.

Decisively fundamental is the Institute's service as a fact-finding commission, for it has no mandate to take any action in the light of data it compiles. To other organizations is left the work of formulating policies and championing programs which may be based on their interpretations of the facts uncovered by the Institute.

The main elements of the research policy require that the initiative in every case must come through the national council of the country concerned. A definite effort is made to avoid building up large programs of research in the Institute itself, and in the observance of that principle the central staff and the federated national councils work through other groups in their own countries. The Institute endeavors to make connections and to facilitate cooperation with individuals and organizations interested in the problems of the Pacific Basin.

A first consequence of this arrangement is the stimulation of research toward a rediscovery of the Pacific. The Institute studies a situation not because it is bad or menacing, but because it is fundamentally connected with the relations of Pacific peoples. And certainly civilization could be done no greater service than the illumination of the problems of how those peoples are going to get along with each other in an international community.

This search for light comprehends no part in mediation between governments, it does include a con-

sideration of subjects affected by government policies. For examples, the export of capital from the United States; land utilization; the trend of population and the trend of consumption of agricultural products in Eastern Asia; the trend of subsistence farming to cash-crop farming in the Pacific area; the economic position of Japan; the extent of foreign investments in China, and the economic and political position of Manchuria—the last three items are scheduled for discussion at the meeting next year in Kyoto.

### Meetings Bring Good Will

**N**ATURALLY it is fair to ask what the Institute is accomplishing toward the objective of international good will. Well, for one thing, the members return home with new ideas, with the refreshing stimulus of new and valuable contacts, with a rich fund of information that could not

be gained from books. And here, I think it relevant to quote from some of the addresses made at the close of the 1927 conference. On behalf of the British group, Sir Frederick Whyte found it worth while to say:

In the process of defining problems we have already discovered those points in which conflicting views coincide, and have thus revealed that there is an initial minimum of agreement between us even on the most contrary issues.

None of us can have sat at the round tables during the past fortnight without discovering, what we may not have known before, that the area of agreement even between protagonists in heated controversies is very much larger than we ourselves believed or than the outside world knows.

### Something New in Conferences

**F**ROM the Far East come two revealing estimates of the Institute's usefulness. Speaking for the Chinese group at the 1927 meeting, Dean William Hung said:

One of the most important things I would like to bring back to China would be to propagate the idea of this technique of getting a group of people together for conference with the expressed understanding that nobody is to try to 'put something over' on somebody else.

Now that would seem to me an entirely new thing in the history of education—an entirely new thing in the contact of peoples—peoples from different nations and races and cultural backgrounds, and I think it is one of the things that deserves to be widely circulated.

The attitude of the Japanese group is well measured in this expression by Yusuoke Tsurimi:

I think in this gathering I have learned many things. I believe I have learned for the first time how hard our young Chinese friends are striving and how their political developments are going to influence the whole world, and I must confess I have also learned a great deal from our friends from New Zealand and Australia.

At the Institute was the first time I had met any people from New Zealand and Australia, and with this understanding and this new viewpoint I am going home.

To my mind, the Institute has provided a convincing revision of Kipling's familiar commentary. For the East and the West do meet in the public schools of California, in the treaty ports like Shanghai, and in the Institute of Pacific Relations. They meet and they modify each other. As the *New York Times* puts it:

Probably for the first time in the last thirty years, Americans and Japanese have managed to sit down at a table and consider the problems of emigration and the exclusion of Orientals with complete candor. If representatives can explain to their peoples, they will have a better understanding of all angles should the question ever be formally revived.

Now, I want to make clear that this encouraging experiment in the use of the understanding to elucidate and integrate political relationships is not in any sense a sentimental gesture by a group of well-intentioned theorists. By its purpose and its performances, the Institute deserves to

**“There are gloomy prophets of course who go on talking about ‘the inevitable war in the Pacific.’ But there is no international problem, no Pacific problem, that cannot be solved on the basis of reason and justice to all concerned”**





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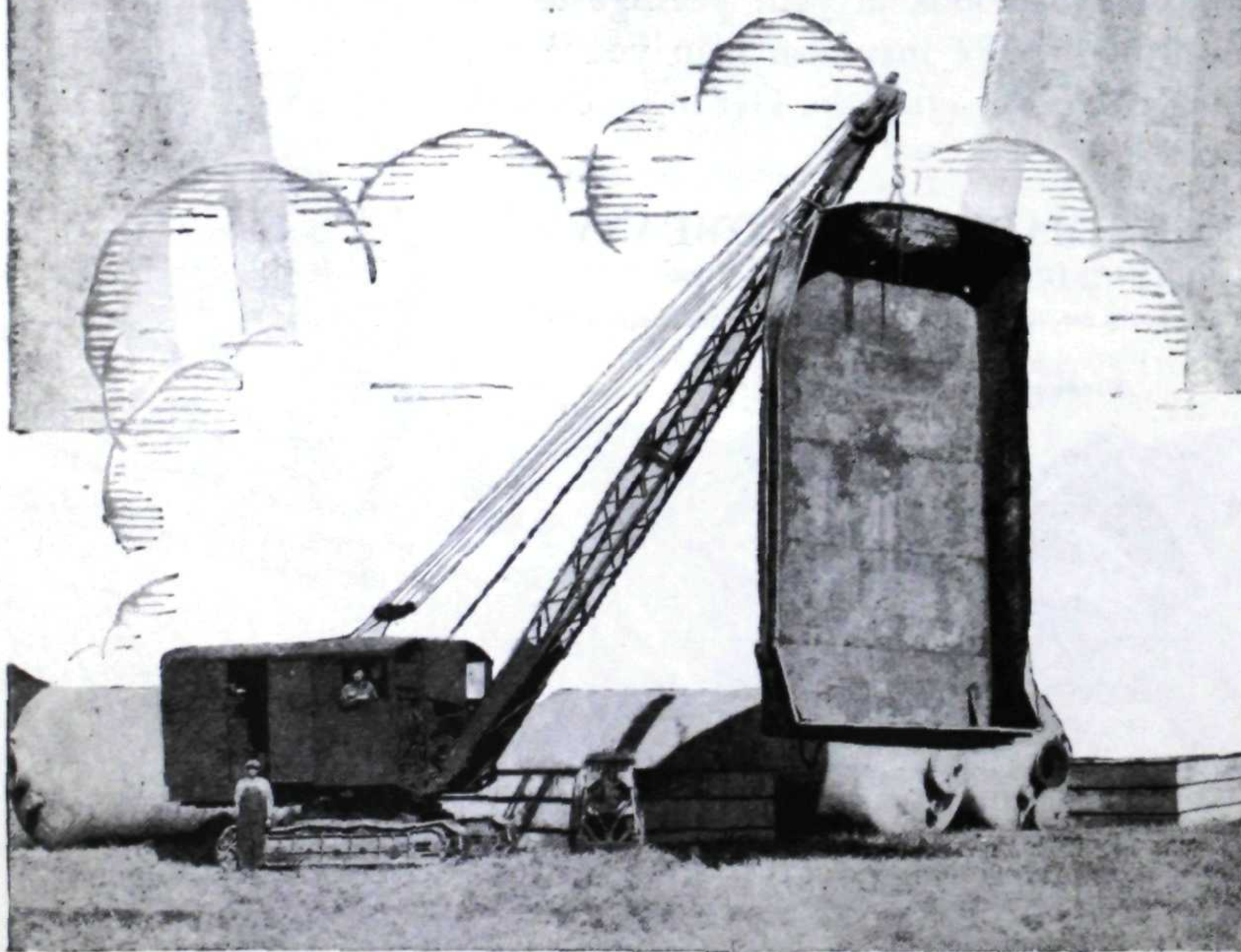


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be known as a shock absorber for the rough places in the Pacific.

In another aspect, the Institute is a sort of megaphone or loud-speaker for the dissemination of facts. It is commonly observed that ideas are frequently held up at international frontiers for lack of a means of transmission. That is the deficiency the Institute is trying to meet, and it is making important news in one country of what is commonplace in another.

The effectiveness of its methods is indicated in the *Journal de Geneve's* appraisal of the results of the 1925 meeting:

The fame of their debates was such, and the echo of their findings so far reaching that this year an official mission composed of a number of persons left London to explain the policy of the British government in China.

That representation is an impressive case in point to show that the Institute of Pacific Relations is bringing nations together on a basis of mutual understanding. If democracy is to grow to fruition; if peace is to continue; if reason is to rule over the world, surely this mutuality of understanding is the way forward.

If any confirmation of that confidence were needed, we have only to turn to the message of congratulation sent to the 1927 conference by President Coolidge. He said, "I believe you are right in believing that true friendship will come as a result of the mutual understanding which issues from the frank discussion of problems."

## What Price Ships?

**H**OW is it that America has been unable to make ships pay since the middle of the last century? asks E. T. Good in the *Aberdeen Press and Journal*. Mr. Good proceeds:

Ships cost from 50 to 100 per cent more to build in America than in Britain, and when they go to sea they cost from 50 to 100 per cent more to operate under the American than under the British flag.

Things were better for us in the old days, he thinks. But now—

in the steel age they have no chance. In our little country we have iron ore and coal mines, blast furnaces and steel works and shipyards almost side by side. We can assemble the raw materials for shillings a ton against the dollars the Americans have to pay. They have long and costly hauls for their materials. We have the cheapest inland transport in the competitive world. That is why pig iron costs from 5 shillings to 10 shillings a ton more in America than in Britain; why steel bars cost 30 shillings a ton more at the works, hundreds of miles inland in America, than at the shipyards and ports in our country.

There is much of good in this appraisal, of course, but there is no compliment in his assurance that "our shipbuilders need lose no sleep on the score of American competition. Our real competitors are in Europe." He seems to imply that our merchant marine has become a matter of iron ships and wooden men.



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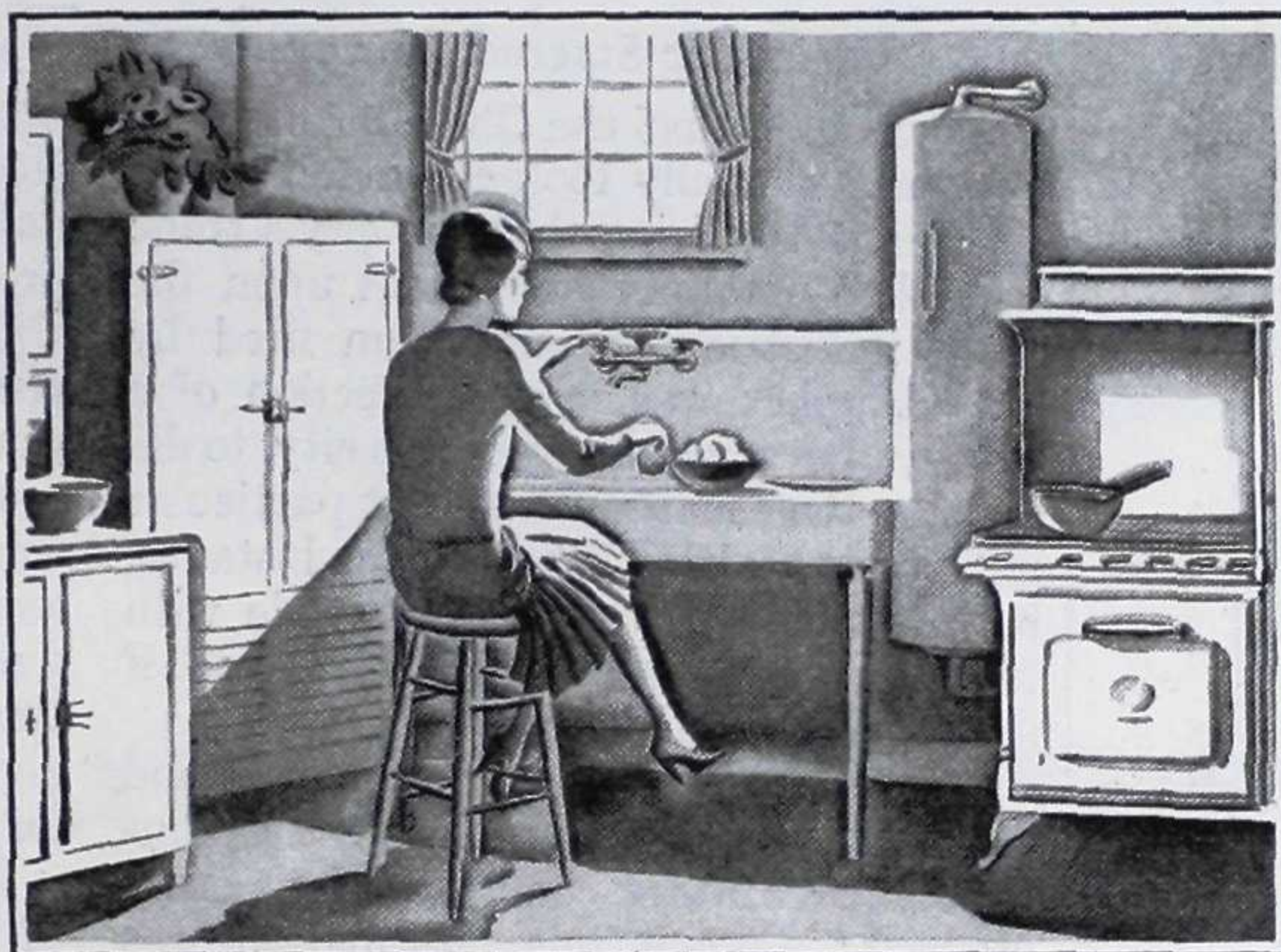
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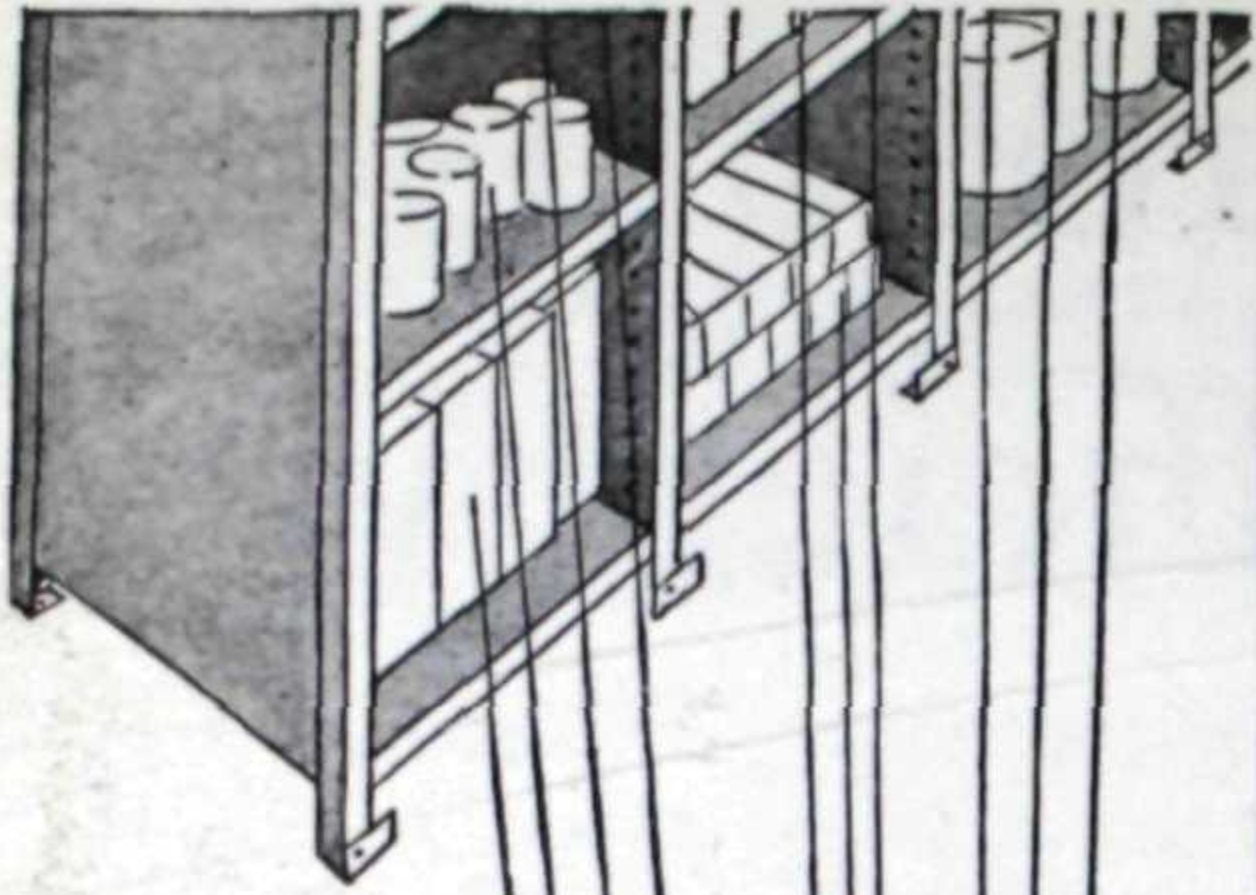
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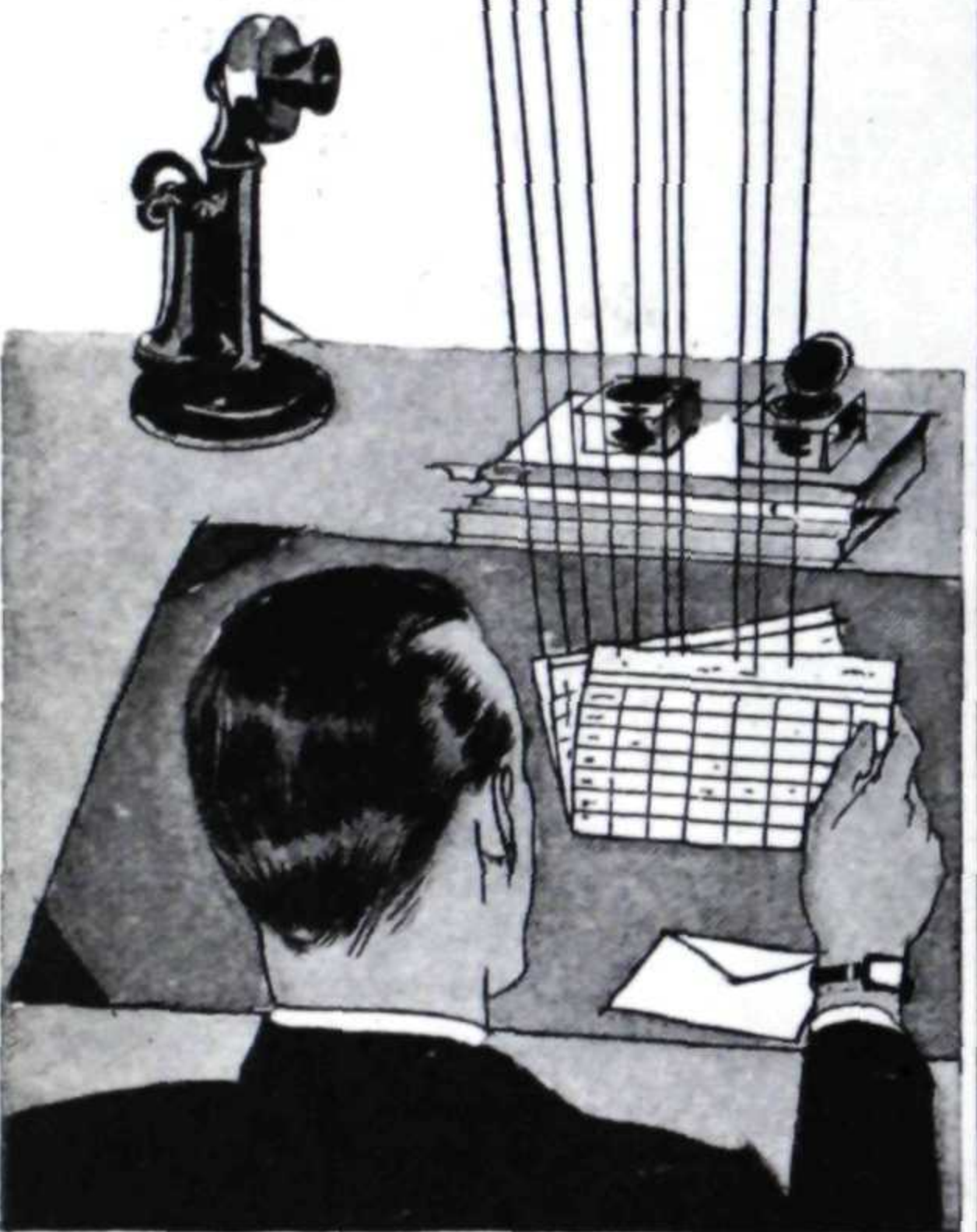
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## One City That Came Back

By HAROLD J. MALLIA

**T**HE city of Amsterdam, N. Y., long known as one of the manufacturing centers in the Northeastern section of the United States, and more especially for the diversity of its industries, is at present successfully emerging from a prolonged and serious period of trade and industrial depression.

When Amsterdam's depression first became manifest, just subsequent to the close of the war, it was regarded merely as a brief and natural pause before the beginning of post-war stabilization. But when this apparent "pause" continued, even after stabilization had been accomplished in neighboring cities, the seriousness of the situation became evident.

### Chamber Started Survey

**I**T was then that the Chamber of Commerce virtually took command of the situation. Realizing that the city's trade was almost totally dependent upon the city's industries, the first gun fired by the Chamber was in the direction of a survey of every industry in the city, to determine the exact state of that particular industry's health. Whether, for instance, it was running on a full schedule with full personnel, and if not, why not; if it intended closing and if so, why.

The survey was successful. Facts and figures were readily supplied the Chamber's investigating committee by manufacturers. When this information was assembled, a number of encouraging details were brought to light.

It was discovered that the industrial situation was by no means as serious as the pessimists said; that while a number of small war-time industries, notably knitting plants, had vanished, a majority of larger industries were operating as usual. Too, it was discovered that one large factory was closing, not because of maladministration, as was being intimated, but because the owner having died, the heirs were unwilling to operate the business and intended to liquidate it. Another factory, instead of being near bankruptcy, was operating irregularly pending outcome of negotiations for more extensive quarters.

All this information, naturally, gave the Chamber of Commerce a foundation upon which to base calculations before the next gun in the campaign was fired.

This gun was aimed at a none too large target—to endeavor to keep alive and healthy the alive and healthy industries; to strengthen and improve the convalescing ones; to revive and succor the ailing ones; and to resuscitate, if possible, the few industries that apparently had succumbed to not entirely necessary causes.

The resources of the Chamber of Commerce were opened to every manufacturer. Men known for their ability to

organize under trying circumstances and to carry on with an organization constructed under such circumstances; men who knew the intricacies of finance; men who had money to loan; charts, maps, reports, data on administration—all these were made available to the manufacturers with the advice to use them prodigally. In the interval, rally meetings were held, during which problems were discussed in the spirit of good-fellowship, mutual sympathy, and understanding.

One manufacturer was frankly on the verge of bankruptcy, but he didn't go bankrupt; a second did go into the receiver's hands but in a short time afterwards was running his own business again—and running it more successfully.

Another manufacturer, the owner of a small but successful knitting plant, was faced with disaster, what with little capital, condemnation proceedings against property he occupied, and the unavailability of other suitable sites. A month after his problem presented itself he was running again in more modern quarters—and with a help-wanted sign hanging from his door. A fourth manufacturer contemplated moving south, yet was induced to remain in the city for some time longer than he had intended, thereby giving work to five or six hundred people for a longer period than expected.

It is too early to record the accuracy of the third gun fired, but from indications it is likely to prove as accurate as the others. This gun was directed toward a "Get a New Industry for Amsterdam" campaign.

### City Obtained New Industries

**A** MEETING was held in the Chamber's rooms, as a result of which hundreds of maps of the city were printed showing its enviable location from a manufacturing standpoint; plans were printed of unused factories and warehouses; lists were made of various kinds of machinery for rent or for sale; data was obtained relative to sale price, rental fees and lease tenures of idle factories and warehouses; owners of such buildings were requested to placard them with suitable signs, and to advertise them, whether for sale or to rent, in appropriate newspapers and periodicals.

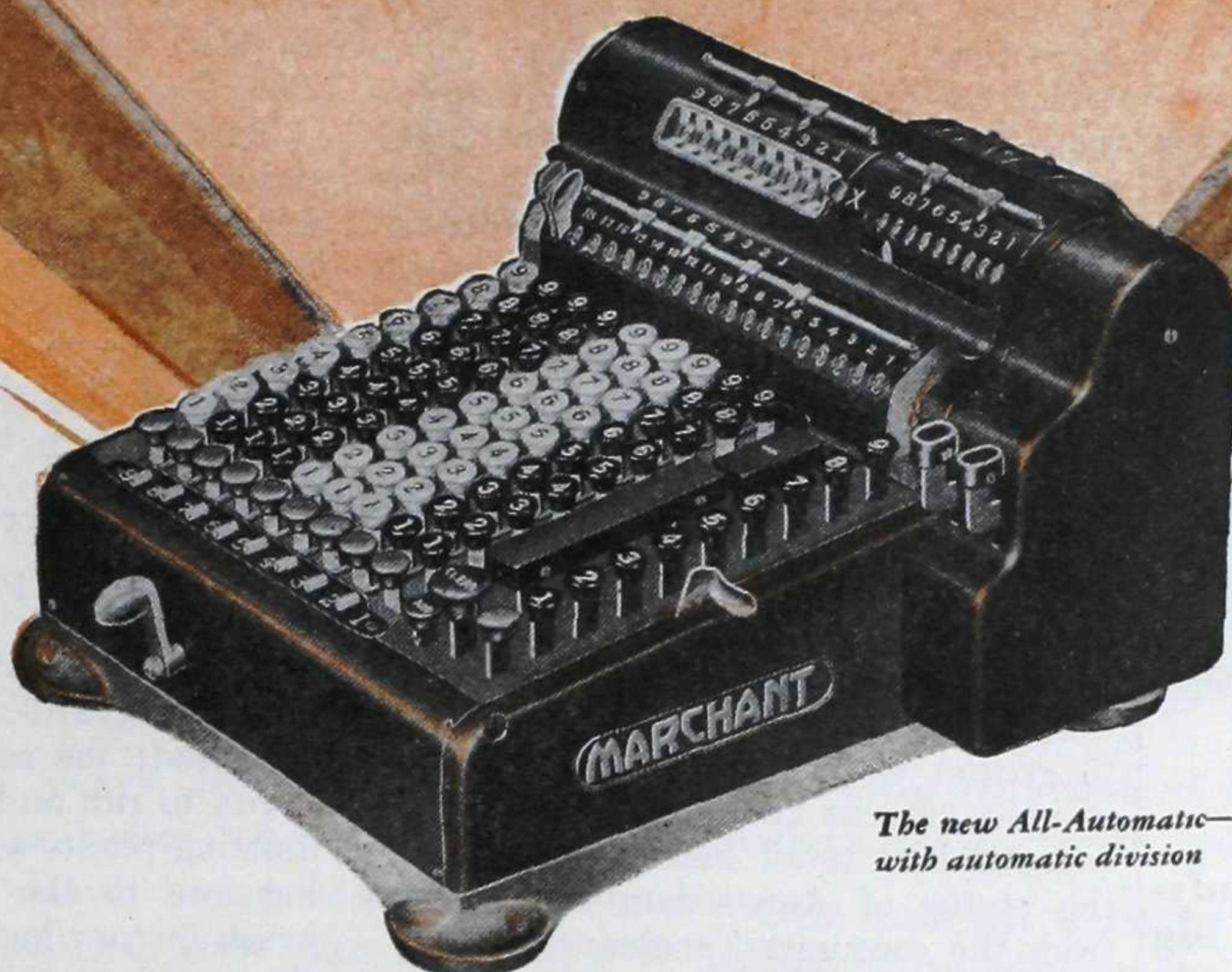
When all this had been accomplished, the paper material was arranged and placed in the hands of those best capable of making the most of it—the Chamber of Commerce committee delegated to the campaign, real estate dealers, local and out-of-town, and others.

And while, as has been said, it is still too early to record the complete results, already a shirt company, composed entirely of out-of-town people and capital, and employing 75 operatives, has not only been located in Amsterdam for some time but



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is now asking for additional room. Other outside businesses have made investigations of the city with a view to locating branches there.

Involved in the intricacies of this campaign, the Chamber of Commerce exponents were kept from firing the fourth gun by the mayor, Carl S. Salmon. Toward the end of 1927 there were mutterings concerning the unemployment situation. Mayor Salmon shortly after the first of the year, announced the opening of an employment bureau. At least ten local firms, from tiny clothing stores to factories and stone quarries, immediately assured him of their full cooperation.

But no hordes stormed the employment bureau. As a matter of fact, 441 persons, mostly men, all looking as if they had recently had a pretty substantial meal, applied for work; they got it—in less than three weeks. Two weeks later 65 more obtained work in the same way.

The mayor's bureau remained open ten days longer, but nothing resembling a hungry horde of unemployed appeared.

Meantime the Chamber of Commerce had been busy. The unexpected move on the part of the mayor, while it had received the full approval and cooperation of the Chamber, spurred that body to greater effort. The next thing Amsterdam citizens knew, the Chamber was engaged in a retail survey to determine the status of Amsterdam retail stores from the consumers' angle.

## Housewives Give Opinions

WITH this project, too, it still is a bit early to state results. Yet there are indications that this gun is likely to prove as accurate as its brothers. In this campaign the Chamber compiled a questionnaire and hundreds of copies were mailed to Amsterdam housewives.

What would the housewife suggest to improve Amsterdam stores? Did retail prices in Amsterdam compare favorably with those of out-of-town stores? What summer closing would the housewife prefer—Thursday afternoon or Saturday afternoon?

Already some 2,000 of these questionnaires have been returned, the majority answered in such an intelligent manner that, should a like number be returned similarly answered, the Chamber will have a comprehensive idea of how to go about assisting the retailers.

But, you ask, exactly what condition was Amsterdam in before its trade and industrial depression began? How many industries did it have? What sort of industries were these? Also, what condition is it in now that depression has been remedied?

Your questions will be answered—and to a great extent with data fresh from the archives of the Chamber of Commerce—through the Chamber's secretary, Charles H. Schenck.

Just prior to the war, Amsterdam was the home of some 31 industries, all thriving. There were 11 knitting plants, three huge carpet and rug plants, a pearl-but-

ton factory, three corn broom and brush factories, a mattress factory, a silk yarn mill, a cotton and woolen yarn mill, a carpet-loom factory, two foundries, a cement block concern, three wood-working and planing mills, a factory manufacturing labor-saving devices, a linseed oil plant, and a needle factory.

At that time the city's pearl button factory and linseed oil plant were acknowledged to be the largest of their kinds; the daily output of the broom and brush factories exceeded that of all similar factories throughout the world; and its carpet and rug plants were exceeded in size and production only by those of Yonkers, N. Y., and Philadelphia, Pa.

During the war, the majority of Amsterdam plants worked day and night. Some of them expanded. During the latter part of the war, when the demand for knitted wear was in excess of the supply, fully 25 "backyard" knitting plants, manufacturing hosiery, sweaters, mittens and glove cloth, sprang up.

## Peace Hurt Unsound Plants

THEN came peace, readjustment and stabilization. But before the last occurred in Amsterdam practically all the little "backyard" knitting plants had disappeared; the carpet and rug mills had begun to run on irregular schedules; five knitting plants were on the point of being lost to the city; one broom and brush factory had practically closed, and the mattress factory, the carpet loom works, the cement block concern, and two wood-working mills had followed suit.

And when, finally, with the aid of the Chamber of Commerce, the stabilization program had definitely gotten under way three of the knitting plants had announced their intention of migrating south and a fourth had moved to another city. The linseed oil plant had practically closed; one large silk mill did close, and another silk mill announced an irregular operating schedule.

Compare that picture with this, which is of Amsterdam as it is today.

Seven large knitting mills, all operating steadily and with practically capacity personnels and one seeking additional quarters for expansion; two carpet and rug plants (of the original three two combined to form one), operating on practically normal schedules; a silk glove mill operating steadily; a combined loom and foundry works, also operating steadily; a needle concern, running consistently; a pearl button plant, doing the same; a mechanical device plant running full time in its original quarters; a large mill, running steadily in two floors of a former knitting plant, and about to run equally well in a three-story mill recently purchased where it will be capable of employing fully 300 more operatives; a small but thriving yarn mill; a wood-working mill, and a shirt factory.

Bank deposits in Amsterdam during 1927 were four per cent above those of 1926; and this year they indicate an





# ....should salesmen be explorers?

*An editorial by*

W. C. Dunlap, Vice President in Charge of Sales,  
The American Multigraph Sales Company.

For many years the watchword in selling has been "new business." Salesmen have been urged to find new customers, new markets, new outlets. Sales organizations have been enlarged so that every alley and byway could be combed for the new prospect. With an eye on "volume", the need for new names on the prospect list was considered imperative.

Then executives began to observe that volume and profit did not always go together. Accepted principles of distribution and established sales techniques received a new and searching scrutiny. In the light of close and thorough market analysis, ideas about selling have recently been undergoing a radical revision.

The new conception of effective, economical salesmanship is concentration on preferred markets from which sales can be gathered without an extravagant expenditure of time and effort. Cultivation has replaced exploration.

Our own experience with selective selling has amply confirmed the view that it offers a key to the

situation described by that oft-heard phrase, "profitless prosperity."

Our cost of selling has been reduced; our net profit has been increased; the average earnings of our salesmen have grown; collections are improved; and volume, instead of shrinking, has expanded so that recently monthly sales have been the largest in our company's history.

The two important factors in this progress have been (1) a new and more careful system of market analysis, and (2) a new development in Multigraph equipment which makes it easy to direct sales effort promptly and economically toward those markets which analysis shows should yield best results.

There is in our experience and in that of some of our customers a store of business information which has not yet been given general publication. I shall be glad to discuss these facts with any executive who is interested. Please address your letter to W. C. Dunlap, 1806 E. 40th Street, Cleveland, Ohio.

There is a new **MULTIGRAPH** for  
today's new selling conditions.

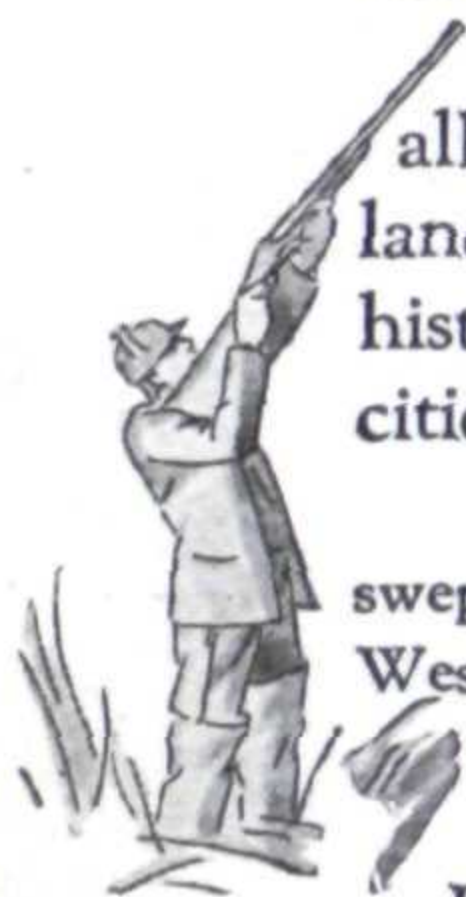




... GOLF ...

## Fishing .. Hunting .. Racing .. Boating **The GULF COAST**

No winter rules on Gulf Coast golf courses—the fairways are perfect, the greens are splendid, and the weather can't be beat. Little rain, no hot weather, no cold weather—just cool enough to make you feel good from the time you reach there 'til the time you leave. Championship golf courses galore—play a different one every day. Should you get tired of golf, enjoy some deep-sea or fresh-water fishing; slip over to New Orleans for an afternoon of racing; or go to one of the nearby and easily accessible hunting clubs for some real duck or quail shooting. There is something to interest you all the time on the Gulf Coast—the winter vacation land of easiest access and most charming scenic and historic beauty, contiguous also to those interesting old cities—Mobile and Pensacola.



Write today for particulars about this great stretch of sun-swept shores, which extends from the Apalachicola River in Western Florida to the gates of New Orleans. Address your letter to R. D. Pusey, General Passenger Agent, Louisville & Nashville Railroad, Room 328-B, Ninth and Broadway, Louisville, Kentucky, who will send you complete information about the Gulf Coast as a place to play, a place to visit, or a place to live and to prosper.



# S. LOUISVILLE & NASHVILLE R. R.

Wh.

When writing to LOUISVILLE & NASHVILLE RAILROAD please mention Nation's Business

even higher figure. There are more telephones in Amsterdam homes today than there were a year ago. There are more electric meters; there is more electrical energy consumed. The Amsterdam post office receipts for 1927 broke all previous records, and this year seems quite likely to be even better. In 1927 the New York Central forwarded 56,222 tons and received 278,050 tons; the West Shore forwarded 369,036 tons and received 91,959 tons, which figures represent, on the word of the respective agents, a vast increase over those of the previous year.

Trade in the retail center is, according to representative retailers, fully 12 per cent better than that of last year, and 1927 was generally conceded to be a fairly satisfactory year.

The city administration, too, is proceeding after the manner of that of any thriving city. Two years ago a school building, modernly equipped and of extensive dimensions, was completed at a cost of more than two million dollars; additional ground recently was purchased by the school board for a similar school building; within the past two years additional men and equipment have been added to the police and fire departments; many streets have been paved; a modern traffic system has been installed, and other improvements made.

If present indications mean anything it is certainly not impossible that the picture of Amsterdam in 1930 may compare favorably with the picture of the city back in the rosy days of 1914-15. Certainly the Amsterdam of today is founded on a more solid basis than it was then.

## Speculation Stabilizes

**A**N OFFICIAL of the Stock Exchange remarked in conversation the other day, "I am tired of reading distinctions between speculations and legitimate business. Presumably the production and sale of lipsticks, rouge, and hair tonic are essential activities, and speculation purely trivial."

In all candor, it must be granted that there is much insincerity in public expressions about speculation. Speculation entails buying with the hope of reselling at a profit, and accordingly is closely related to all commercial activities. In a recent address, George E. Roberts, economist of the National City Bank, said:

"Speculation has a useful part to play in the business world. Intelligently directed, it exerts a stabilizing influence, correcting the irregularities which develop in the regular course of trade. It aims to buy when things are cheap and sell when things are dear, which tends to maintain the normal equilibrium.

"Admittedly, there is a vast amount of uninformed speculation which does not serve this purpose, but for that matter a vast amount of all kinds of business is in the hands of people who are only indifferently qualified to handle it."—M. S. R.



# A check as tamper-proof as though it were your personal bank-note



The intricately patterned surface of Todd Greenbac Checks defies exact reproduction. Here a conventional design, unlike the check itself, is used for illustration.

**T**HE instant an attempt is made to alter a Todd Greenbac Check hundreds of imprints of "VOID" appear, canceling the check and foiling the forger. The intricately tinted surface has concealed beneath its design more than a thousand imprints of "VOID," ready instantly to leap into prominence if alteration is attempted.

A secret process involving interlocking patterns of different colors makes the Todd Greenbac Check the safest and one of the most attractive checks ever produced. Every step in its manufacture is safeguarded. Every sheet of Greenbac paper is registered. Todd Greenbac Checks are never sold in blank sheets but are lithographed and printed only to order and are delivered under seal to the customer. This careful preparation avoids any possibility of counterfeiting.

Todd Greenbac Checks provide, for business and personal funds, the greatest protection against insidious sources of check losses—change of payee's name, date and number and counterfeiting. They are in use by many thousands of banks, business houses and individuals who regard them as the bank-note among checks.

Although made from the finest quality paper and providing the most certain security, Todd Greenbac Checks are not expensive. Their cost—over the cheapest of checks—is very little.

A Todd representative will be glad to discuss Greenbac Checks with you. Get in touch with the Todd office in your city. Or send us the coupon for further information. The Todd Company, *Protectograph Division*. (Est. 1899.) Rochester, N. Y. *Sole makers of the Protectograph, Super-Safety Checks and Todd Greenbac Checks.*

THE TODD COMPANY  
Protectograph Division  
1130 University Ave., Rochester, N. Y.

12-28

Please send me further information about Todd Greenbac Checks.

Name \_\_\_\_\_

Business \_\_\_\_\_

Address \_\_\_\_\_



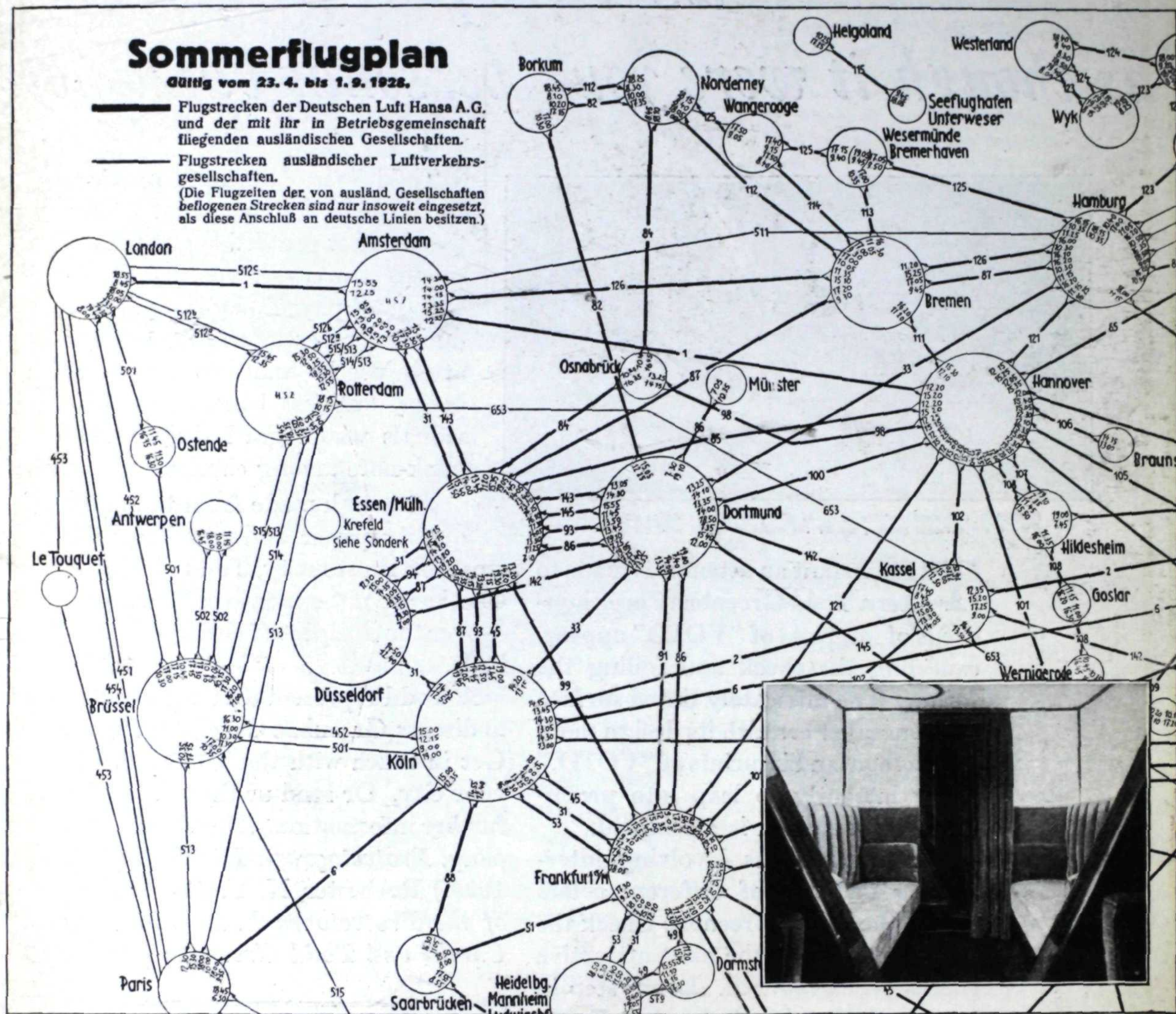
## TODD SYSTEM OF CHECK PROTECTION

When writing to THE TODD COMPANY please mention Nation's Business



# Here Is Europe's Newest Map

It shows no boundaries, for it charts the untrammelled air routes



This latest airway time-table shows plane schedules in circles. Inset pictures a passenger plane compartment

**B**OTH freight and passenger transportation has been speeded up by the network of air routes which today overspread Europe. The new flying time is about one-third that of the fastest trains, and the rates little more than the railroads' first class passenger or express freight rates. The economy of time afforded by air travel is recognized by progressive business men, who have been quick to take advantage of the air service.

In transporting perishable freight, the air route often proves indispensable. Fresh flowers, for instance, are carried from Holland to many German cities.

Milliners and tailors employ the airplane to bring the latest styles from Paris or Vienna. It is found safe and economical to ship jewelry or gold by air, since transportation time is so reduced that savings in insurance and interest render the trip cheaper than by rail. Valuable furs are regularly carried by air from Russia to western Europe.

The delivery of newspapers by airplanes is a commonplace in many parts of Europe. Fleets of special planes are employed. Bundles of papers are dropped from the speeding planes, flying on regular schedules, so that the latest editions are carried a hundred miles within an

hour. Last year German air lines alone covered a distance of 3,822,250 miles and carried 93,000 passengers.

The surprising activity of the air routes in Europe today is shown by the latest air time tables. In place of the tabulated figures of ordinary railroad schedules, air ports and connecting lines are indicated on maps.

The time for departure and arrival of airplanes is printed within circles denoting the various cities, and can be read at a glance. The map has no geographical boundaries or political divisions, for the airplane overleaps all the ancient barriers.—F. A. Collins.





**Kimberly-Clark Corporation**  
Manufacturers of Rotoplate, Hyloplate, Primoplate, Servoplate  
Perfect Papers for Rotogravure Printing

THE  
SETTING

## *Can Sell Goods*

Are you staging your product in effective settings? Photography, reproduced perfectly by rotogravure, presents selling features with speed, truth, brevity, interest and generally with beauty. Rotogravure is a medium that you can use in magazines and mailing pieces as well as 89 American newspapers publishing rotogravure sections.



# YOU Can Use ROTOGRAVURE

The use of rotogravure for advertising is most evident in newspapers. Eighty-nine in North America publish rotogravure sections. Seventy-seven of them use Rotoplate, one of the rotogravure papers developed by Kimberly-Clark Corporation. ¶ But rotogravure advertising is by no means restricted to newspapers. Many magazines use rotogravure inserts—often printed on Primoplate, another Kimberly-Clark rotogravure paper. ¶ And there are millions of catalogs, broadsides and circulars printed every year on other Kimberly-Clark papers—not infrequently on Servoplate. Orders for single editions of catalogs may run as high as 200 tons. ¶ Then there

is the package insert—light and inexpensive, but of importance. Probably hundreds of millions are printed in rotogravure every year on Kimberly-Clark Corporation's Hyloplate—a paper of low cost quality. ¶ Printing quality is characteristic of all these papers. They are opaque. The surfaces are uniform. They have the proper affinity for correct inks. They print satisfactorily on both rotary and sheet fed presses. ¶ Our book—Rotogravure from Soup to Nuts—may give you some new ideas about your advertising. Let us send you the book and let us answer also any specific questions that you may have about either rotogravure printing or paper.

## Kimberly-Clark Corporation

Established 1872

### Neenah, Wisconsin

New York  
51 Chambers Street

Chicago  
208 S. La Salle Street

Los Angeles  
510 West 6th Street



## The New King of Diamonds

**I**N THE past few years the center of the world's jewelry trade has definitely shifted from Europe toward the United States. With the growth of national wealth, the purchasing power of all classes has been increased past all precedent. The long and dramatic history of jewelry offers no parallel to the present situation.

It is estimated that 80 per cent of the diamond output of the world today is consumed in the United States. A similar proportion of the finer grades of pearls gathered from the Persian Gulf comes to America, while the pick of the emerald output from Central America is marketed here. American capital is credited with being largely concerned in the great diamond and gold mining industries of South Africa. The famous emerald mines of the Ural Mountains in Russia, the richest in the world, are now being worked under special Soviet concession by an American firm, and the rich pearl fisheries of the Ceylon coast are also under American direction.

New York, as the chief port of entry for the gems, has become the great clearing house where an unprecedented wealth is distributed to all parts of the country. It comes as a surprise, however, to find that large quantities of gems enter the United States through 30 ports.

The most skillful diamond cutters and workers in gold and platinum are naturally gravitating to America. The compensation of these highly skilled workmen is much greater here than in Europe.

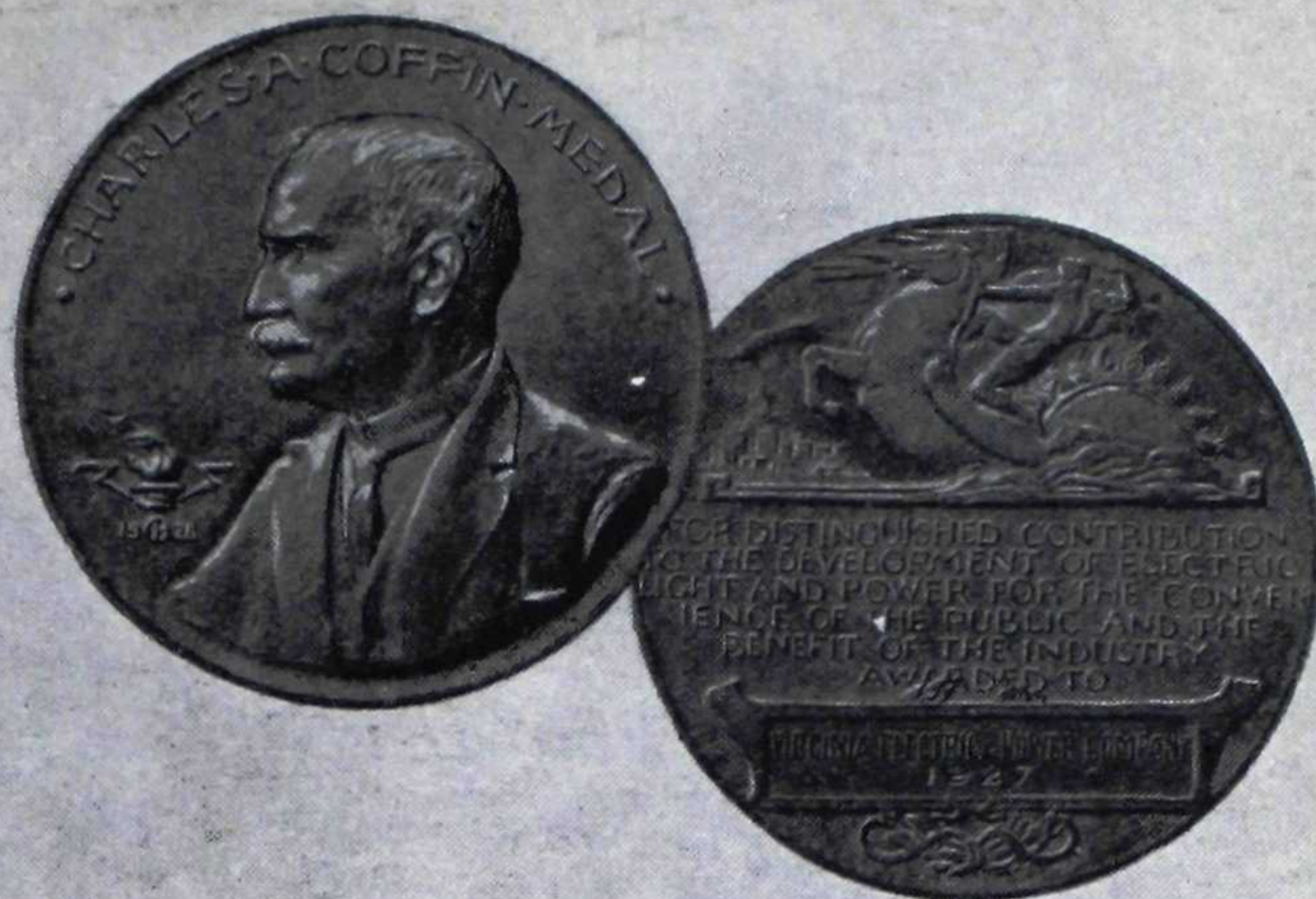
### Art Is Revolutionized

**A**MERICAN ingenuity has revolutionized the ancient art of diamond cutting, for centuries accomplished by veteran workmen through rubbing two stones together. Now, however, the best American plants are equipped with ingenious saws and polishing devices which do the work much faster and more economically, at the same time bringing out all the latent beauties of the stone.

America's consumption of fine jewelry is without precedent. It is estimated that diamonds to the value of \$150,000,000 are gathered from the great diamond fields every year. The United States consumes something like \$120,000,000 worth of these every year and the demand is increasing.

A recent survey showed that diamonds were valued at about \$100 a carat for several centuries. Following the World War the price advanced quickly to \$800 a carat, a rise attributed directly to the purchasing power of the so-called working classes of America.

It is estimated that diamonds to the value of \$4,000,000,000 are now owned in the United States. The country has a per capita diamond wealth of about 200 per family.—F. A. Collins.



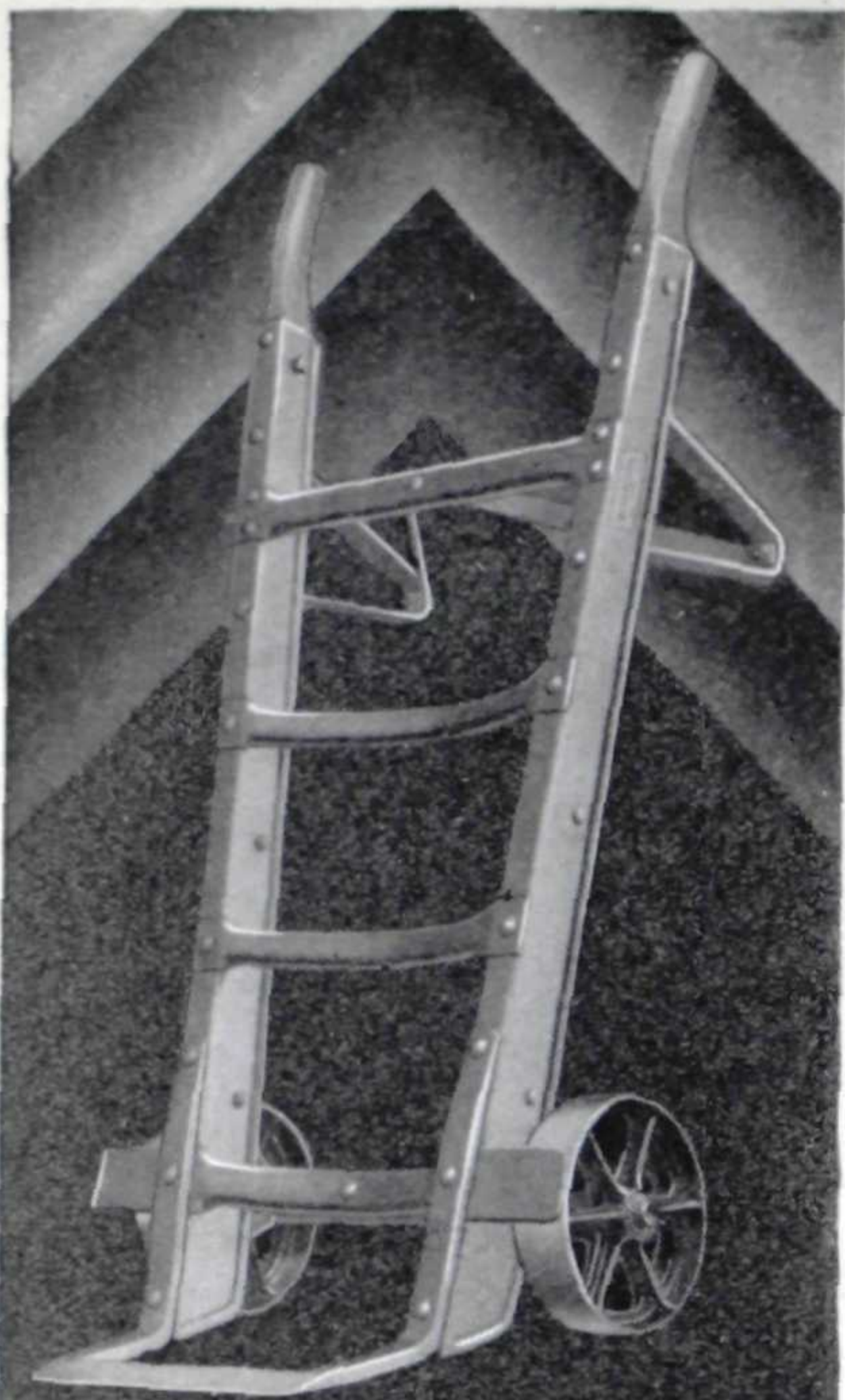
**D**URING the six years of the Charles A. Coffin Foundation for annually rewarding excellence in the operation of electrical utilities, the Gold Medal has been won three times by companies under the executive management of Stone & Webster, Inc. The successful companies are Northern Texas Traction Company, Puget Sound Power & Light Company, and Virginia Electric and Power Company.

# STONE & WEBSTER

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Light . . strong . . practically indestructible. Pressed Steel Construction scores again.

This hand truck—the finest ever offered to American Business—is another excellent example of how “American” pressed metal shapes are being used to improve many products.

Progressive manufacturers are also turning to “American” stampings, for the economies involved. Because breakage can be eliminated. Because their absolute accuracy saves machining and speeds up production. Because pressed metal shapes weigh only a fraction as much as castings. And because rejections are practically eliminated.

What part can we make for you at a saving? Send us your blueprints for estimates or ask for a representative to call.

# AMERICAN METAL STAMPINGS

The American Pulley Co.

PRESSED STEEL :

PULLEYS HANGERS HAND TRUCKS  
MISCELLANEOUS STAMPINGS

4224 Wissahickon Ave., Philadelphia

# Why Can't We Grow Our Own Rubber?

Some comment on and criticism of the article, “Rubber, Rice and Religion”

**W** O'Neil, president of the General Tire & Rubber Company, in his article, “Rubber, Rice and Religion,” in the October NATION'S BUSINESS declared against American production of raw rubber, but that other leading minds of the industry hold opposite opinions was evidenced in letters to the editor that greeted the appearance of Mr. O'Neil's article.

Not only do these other captains of the rubber traffic disagree with Mr. O'Neil upon the advisability of America's growing its own rubber, they take issue with him upon certain of his points in connection with current rubber prices and with the labor question, which is bound up inextricably with rubber production.

### Restriction Didn't Restrict

**T**HEY find entire agreement, however, with his presentation of the story of British restriction of rubber production and the failure of that restriction to restrict, by reason of increased production by the Dutch, both native and European, in the East Indies.

“Just because the plantation industry is beset by difficult problems that Americans have not the understanding or experience to cope with, is no reason for brushing aside the idea of American-owned plantations as having no merit,” writes J. D. Tew, president of the B. F. Goodrich Company, Akron, Ohio.

“I believe Mr. O'Neil is correct in believing that it is useless to think of growing rubber in the United States,” Mr. Tew continues, “but I do not agree with him in his arguments against Americans growing rubber in those countries which by reason of climatic and labor conditions lend themselves to economical rubber culture.”

“Personally,” writes P. W. Litchfield, president of the Goodyear Tire and Rubber Company, “I believe that Americans would be wise in controlling the produc-



tion of at least 25 to 33 per cent of their own requirements. While the position of the native rubber growers in the Dutch East Indies is so strong as to temper the enthusiasm of those who would advocate Americans growing all their own rubber, our present production of less than three per cent of our own requirements is certainly going to the opposite extreme.

“I do not agree with Mr. O'Neil's contention that American companies can continue to depend upon the law of supply and demand to keep them supplied with sufficient raw rubber at a fair price,” Mr. Litchfield goes on. “The United States, being a consumer of more than two-thirds of the world's rubber, is in an unsafe position when almost the entire world's supply of crude rubber is in the hands of foreign governments, located half-way around the world.”

Another point raised by Mr. O'Neil against the production of rubber by American rubber manufacturers, set forth in his declaration that in other industries it has been found that control of raw materials is not always an asset, brings this from Mr. Tew:

“At times the policy of owning a plantation that can produce a small portion of one's requirements will be profitable and at other times such a policy will be unprofitable.

“But by and large, over a long period of time, a policy of raw material protection within certain limits is bound to be rewarded.”

### Says Plantations Profitable

**A** SIMILAR view is expressed by H. S. Hotchkiss, president of United States Rubber Plantations, Inc., New York City. He says:

“Whether it is desirable for a manufacturer to produce his own rubber is a question for each to decide for himself, but we strongly believe that the planting industry will continue to be profit-



able in the future, as it has been in the past.

"Many European estate methods will have to be revised," Mr. Hotchkiss continues, in answering Mr. O'Neil's statement that the low production costs of the native planter give the latter the advantage over the American planter with his costly methods, even though these methods result in far higher yield than the native obtains. "But with the application of science and the increased productivity per acre, which it is possible to obtain, there is no reason why a well run European or American company should not be able to compete successfully with the native."

This phase of the question is still to be decided according to Mr. Litchfield.

"The cost of production of rubber would be affected largely by the yield per acre," he says. "The advantage of low labor cost and low capital investment would lie with the native producer. The advantage of high yields would lie with the scientific planter. Which will win is still debatable."

#### What Makes the Low Prices?

MR. Litchfield, Mr. Hotchkiss and Mr. Tew all take issue with Mr. O'Neil in his statement that "rubber is selling now at 19 cents a pound because that price returns what the native grower regards as a living wage."

"As a matter of fact," declares Mr. Hotchkiss, "rubber is selling at the current levels because the supply at present is in excess of the demand. It is quite likely that, at present price levels, native production will show a tendency to decrease, as in many districts 19 cents will not insure a 'living' wage."

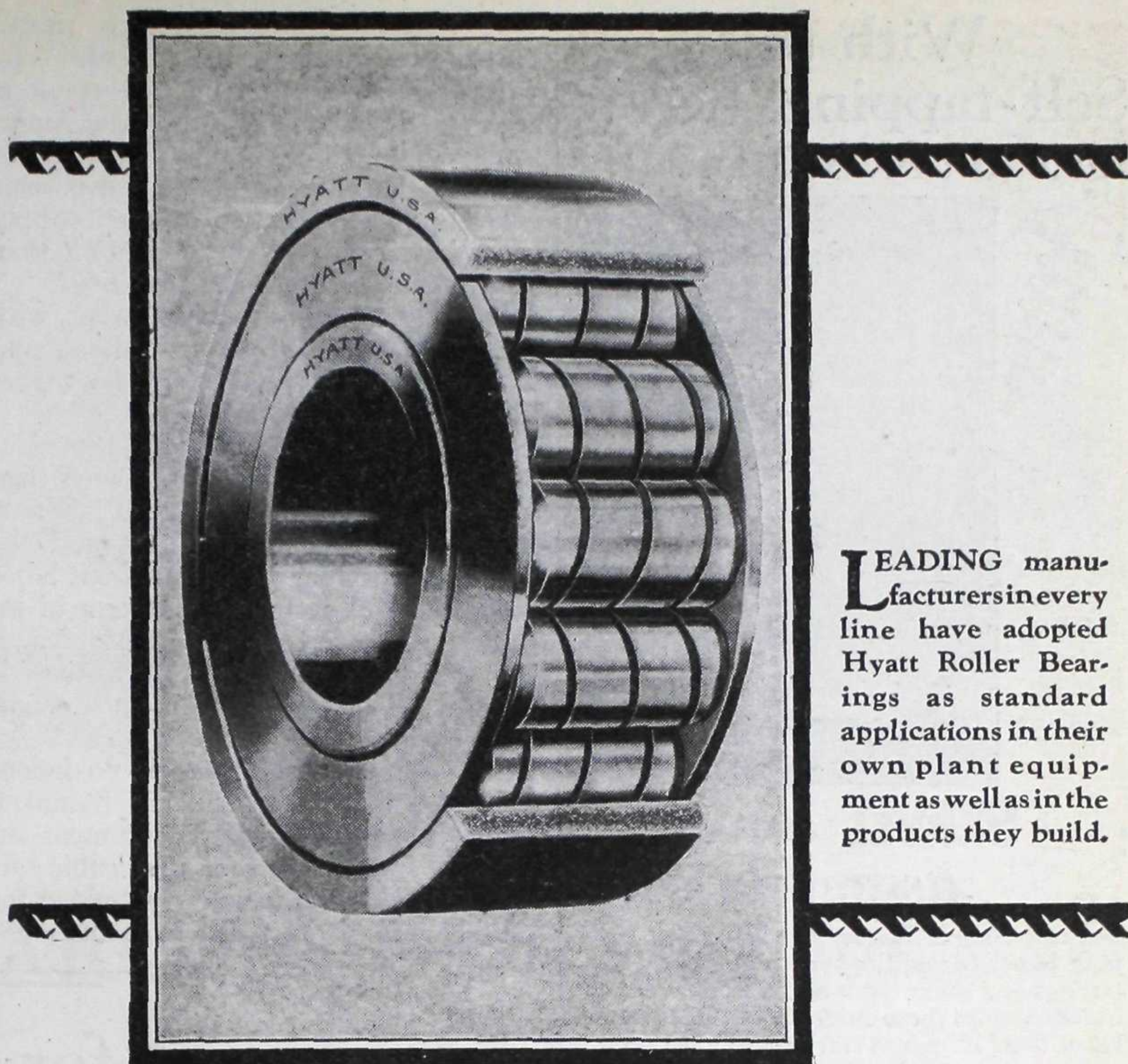
"No commodity necessarily sells for any length of time with exact relation to cost," says Mr. Tew in this connection. "It sells below cost for long periods and then above cost for long periods because of world supply and demand conditions. An article sells for what it will bring at a given time and not for its cost of production, although of course ultimately the price line tends to cross and recross the cost line. Profits will always be made by efficient units in the plantation industry."

"Rubber is a hard crop to stop accumulating, even after a surplus is manifest," adds Mr. Litchfield, explaining that a crop requires seven years to produce, from the time trees are planted until they yield sap, and that established plantations must be maintained, even in times of surplus, to prevent them from reverting to jungle.

"Therefore," he continues, "if left to the law of supply and demand, there will be large fluctuations in the price of rubber, probably greater than that of any other crop. This would make it possible at times for foreign governments to take advantage of this situation to insure unduly high profits."

He pursues his argument for American-owned plantations in this matter of prices, also.

"Whereas it is by no means certain



**L**EADING manufacturers in every line have adopted Hyatt Roller Bearings as standard applications in their own plant equipment as well as in the products they build.

## The popularity of Hyatt is deserved

Quality products demand better bearings. Quantity production requires profit-saving economies . . . small wonder, then, that industry's leaders turn to Hyatt for permanent bearing satisfaction.

More and more, manufacturers are equipping their machinery throughout with Hyatt Roller Bearings. For their mechanical ruggedness . . . economies in labor and maintenance . . . and freedom from interrupted operation...work miracles in increasing plant efficiency.

These advantages—in agricultural, automotive, industrial and railroad equipment—have made Hyatt Roller Bearings universally preferred for the important bearing assignments.

Hyatt engineers will gladly show you how to reduce manufacturing costs with Hyattized equipment.

#### HYATT ROLLER BEARING COMPANY

Newark      Detroit      Chicago      Pittsburgh      Oakland

# HYATT

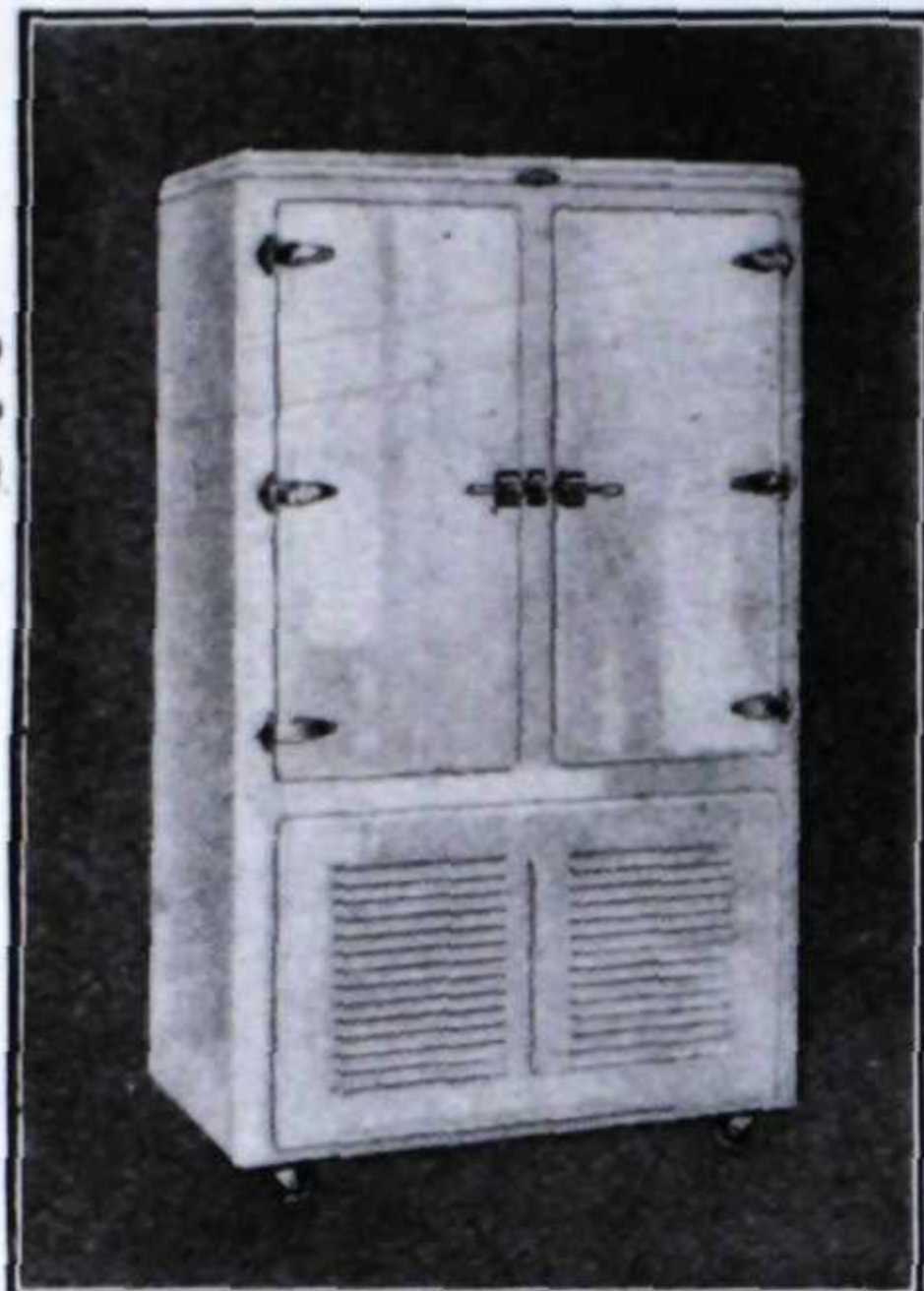
## ROLLER BEARINGS



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## With this Self-tapping Screw instead of a bolt and nut



### ... SERVEL lowers assembly costs

Because Parker-Kalon Hardened Self-tapping Sheet Metal Screws make secure fastenings and make them cheaper, Servel was quick to adopt these unique screws for assembling their all-metal refrigeration cabinets.

Servel tells of the advantages gained by saying: "The adoption of Parker-Kalon Sheet Metal Screws obviated the use of machine screws and nuts, cutting down both labor and material costs. Furthermore these Screws make better fastenings—fastenings that remain secure."

The use of Self-tapping Screws in place of machine screws, stove bolts, rivets, etc., for joining or making fastenings to sheet metal saves thousands of manufacturers of sheet metal products from 50% to 75% in time and labor.

Sheet Metal Screws are so threaded and hardened that they cut their own thread in sheet metal like a tap, as they are turned in. Tapping is eliminated. Just punch or drill a hole—then turn in the Screw with a screw driver. As the Screw is turned in the sections are drawn securely together. Try these unique Screws yourself. Tell us what the fastening job is and we will send samples for you to test.

**PARKER-KALON CORPORATION**  
202 Varick Street New York, N. Y.

*Distributed in Canada by*  
Aikenhead Hardware Ltd., 10-21 Temperance Street, Toronto

## PARKER-KALON HARDENED SELF-TAPPING Sheet Metal Screws

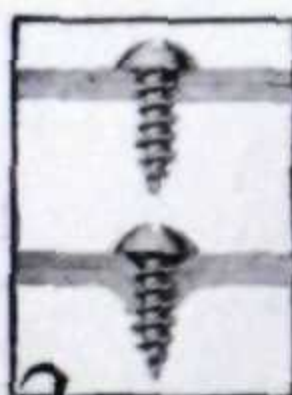
PATENTED  
APR. 1, 1919—No. 1299232 — MAR. 28, 1922—No. 1411184  
AUG. 14, 1923—No. 1465148 — FEB. 10, 1925—No. 1526192  
OTHERS PENDING

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Please send me a  
handful of Hardened  
Self-tapping Screws.  
I want to try them  
out for



Easy to use  
—no skill  
required:



Turn in the  
Screw with a  
screw driver.

Name .....

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When writing please mention Nation's Business

that American investments in rubber plantations would be profitable," he writes, "it would undoubtedly result in greater stabilization of prices, and Americans should, through such investments, either under foreign flags or their own, insure a greater portion of their supply being based on cost of production than they now have, to insure stability."

Turning to the question of labor, with which Mr. O'Neil's article dealt at considerable length, Mr. Hotchkiss makes these interesting observations:

"The native laborers on rubber plantations in the East are far better off than the majority of other Eastern laborers. Both the British Government and the Dutch Government have stringent labor legislation and a thorough system of inspection and protection. In Malaya, if an estate is unhealthy, recruiting is stopped by the government until conditions improve.

"Under the Dutch there is no indentured labor in Java, but in Sumatra, where this is still legal, government inspectors regulate even the cubic air space in the living quarters provided for the laborers. In fact, the lives and com-

fort of the coolies are scrupulously guarded.

"It is true," Mr. Hotchkiss continues, "that the scale of wages looks small when judged by the American standard, but on the other hand the necessities of the life that natives are accustomed to and like are less. The only fair comparison is between the people engaged in producing rubber and natives engaged in other pursuits. Such a comparison, I think, would prove favorable to the plantation coolies."

As to the supply of labor in the event that American rubber plantations are developed in the Philippines, which Mr. O'Neil declared would of necessity come largely from the Tamil Indians, upon whom the British planters in great measure depend, Mr. Hotchkiss says:

"It is questionable, in my mind, whether this would prove the case, as it is improbable that the British Government would permit Tamil emigration. The Malay, Filipino, and Chinese already in the territory would have to be the backbone of the labor force and undoubtedly enough could be recruited for moderate development."

## Insure for Life as Well as for Death

(Continued from page 31)

dividuals this is perhaps the most important test to be applied to the two programs we are discussing. For the unified life insurance plan they will admit the security, the convenience, the value as collateral and all the rest, but they conclude by declaring that the interest return is too low.

Well, is it? By which we mean, would it be possible, by means of a term insurance—separate investment program in which the investment fund would yield a low rate of interest, to accomplish what the regular life insurance policy will accomplish?

### Different Methods of Insuring

LET US take for example the case of a man of 35. He wants his family to be protected in the event of his death to the extent of, say, \$25,000.

We have seen that this can be accomplished by means of an ordinary life policy, which combines in the one contract a pure protection element and an investment element; also that it can be accomplished by building up a fund through the investment of periodical sums, and supplementing the fund by yearly renewable term insurance of such an amount that each year the amount of the insurance is just the amount by which the accumulated fund falls short of the \$25,000.

The one-year renewable term rates employed are the lowest that we have been able to find among the published rates of the various companies. For the or-

dinary life policy we have taken the average net payment that would be made by the policyholder based upon the 1928 dividend scales of six life insurance companies, which kindly contributed their figures.

We have assumed that the amount of new money to be applied each year in each of the two programs is the average net payment under the hypothetical policy. Under the term insurance-separate investment program we purchase for the first year, \$25,000 of one-year term insurance and then separately invest the balance of the hypothetical ordinary life premium. This balance is the investment element for that year.

For the second year we take the accumulated fund at the end of the first year, add to it the net payment (gross premium less first year dividend) due under the hypothetical policy and then subtract the term insurance premium for the reduced amount of one-year term insurance that is to be purchased for that year. A year's interest is then added to the amount remaining in the fund. The same process is repeated for 30 years when the age of 65 will have been attained.

The rate of interest that we are seeking is that rate of compound interest which will make the separate investment fund exactly equal the amount which would be received if the hypothetical policy should be surrendered for its guaranteed cash value at the end of 30 years.

You will be interested, as I was, to learn that the separate investment fund must



yield a compound interest return over the thirty-year period of 5.57 per cent to equal the guaranteed cash value of the hypothetical policy!

The question naturally arises "How is so large a return possible? The companies themselves are not realizing a net return as large as that upon their own investments. There must be magic or perhaps a mistake."

It is neither. There are savings possible when the two elements are combined in one contract as compared with the term insurance-separate investment program. The companies can furnish the protection element more reasonably if it is combined with an investment element that carries its share of the load.

Separate renewable short term insurance cannot be issued safely at a low premium rate, first because of what is technically known as "adverse selection" against the company which will probably result in a high rate of mortality and second because a separate term policy with its relatively small premium must alone bear its share of the company's overhead.

Similar figures have been obtained for the other ages shown in the following table which also includes the age of 35 already given. For ages 25, 35 and 45 the investment period considered is to age 65, that is 40, 30 and 20 years respectively. For age 55 it is 20 years or to age 75.

Age	Compound Interest Return upon Investment Element
25	5.56%
35	5.36
45	5.38
55	5.84

The irregularity in this series is due to the fact that figures from different companies have been combined.

There is a feeling in many quarters that in spite of a current tendency toward higher interest rates, the trend of interest rates for the long pull will definitely be downward.

Should it happen that current dividend scales eventually do have to be reduced because of a lowered interest rate, the return upon securities in which separate investment funds could appropriately be placed will also decline, so that approximately the same relation between the returns under the two programs is likely to be maintained.

### No Lumber Monopoly

COMPLETE assurance that the small business man is not doomed to failure or absorption, as far as the lumber business is concerned, is set forth in *West Coast Lumberman* in certain terms.

The *West Coast Lumberman* decries this talk about the big mills getting bigger and the small mills smaller and the business getting into the hands of a few concerns. While this may be true in some other large industries, it is not true of the lumber industry here in the Northwest or elsewhere in the United States. The lumber industry never has leant itself to monopolistic control and we do not believe it ever will.



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- 3 Bankers and mortgage firms regard the permanence of Indiana Limestone with favor. Builders are often able to secure better terms when they build of stone.

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# An Adventure in Peanuts

By W. O. SAUNDERS

**A**N ITALIAN boy of 12 stood on a corner in Pittston, Pa., turning the crank of a wheeled peanut toaster. That was 38 years ago and it was the beginning in this country of Amedeo Obici.

In Italy he had been desperately poor, and when he came to America in the steerage, a nickel had been his sole fortune. Now his life seemed to revolve about nickels.

Other urchins laughed at him. But what he noticed was that even these urchins had nickels with which to buy his peanuts. Men sometimes tossed him a dime and, to his astonishment, let him keep the nickel in change.

"A nickel is nothing here!" he marveled.

And in Obici's eager, wondering mind there began to form a plan. Why seek dollars, which were guarded, when nickels were so plentiful? Was it not easier to get twenty nickels from twenty customers than to get a dollar from one?

## The Nickel's Power

**T**ODAY, Amedeo Obici is still selling peanuts for a nickel the package, but he sells a million packages of peanuts and peanut candies in a day! The peanut roaster has become the Planters Nut & Chocolate Company, of Suffolk, Va., where a seven-story factory occupies 22 acres of floor space.

His father, the harness maker in the village of Oderzo, died when Amedeo was seven. The shop closed and the mother took in washings to support her large family of children.

"My mother was so desperately poor," Mr. Obici told me, "that many a time she would call us children around her on a Saturday evening and tell us that she thought it would be a nice thing for us to go without supper; that if we would do this, she would give us each a nickel. Of course we agreed.

"But Sunday morning would come and mother would have another proposition. Our Sunday morning breakfast usually consisted of mush and a cup of weak coffee without sugar or cream. But after we had received a nickel for going without supper the night before, mother said:



FRANKLIN, SUFFOLK, VA.

**AMEDEO OBICI came to America in the steerage with only a nickel in his pocket. He found many more nickels here in peanuts, and now commands his own ocean-going yacht**

"I have a great idea; we will have mush and milk with sugar for breakfast if you children will give me back your nickels.' And we did."

The boy was almost 12 when an uncle in Scranton, Pa., arranged for him to come to America with a couple whose home was in Pittston.

"The last words of my mother when I was leaving home," Mr. Obici continued, "were that I was coming to a country where everybody made much money.

"I never shall forget the impression America made upon me that day I landed in New York. It was St. Patrick's Day and every one seemed to be marching. There were bands, bands, bands, and green flags with harps on them. I thought the flags were the flags of America. I could speak no English. I wondered if that was the way everybody in America got rich—just being happy and walking behind bands.

## Traveling by Tag

**T**HE Italian couple with whom I had come across did not stop at Scranton; their tickets were for Pittston and when the train stopped at Scranton the man pinned a tag on me and put me off the train. The tag bore my uncle's name and the man told me to look around until I found a fruit stand. Some fruit stand man would know my uncle.

"The first fruit stand I found near the depot was run by two Italians; they knew my uncle and saw me safely to his home. Scranton seemed a big city to me in those days.

"But the thing that impressed me most was the waste I saw everywhere. In the tin shop where I had worked we saved everything; a little piece of tin no bigger than a quarter was saved and some use found for it.

"My uncle put me in school after I had been in America a week. At the school I was put in the lowest grade. I could understand no English and just sat around while the teacher wondered what to do with me. One day she put some figures on the blackboard. I could not understand English letters; but figures were familiar. I knew 2 and 2 was two plus two and that the

total was four. So I went to the blackboard and wrote 4. The teacher was pleased, and put other figures on the blackboard. I added them quickly and accurately.

"The next day she sent me to another room where there were larger children. The new teacher gave me examples in



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subtraction and division. I did them too. In a few weeks I had moved up several more grades and carried a lot of books around.

"But the books meant nothing to me. All I could understand was arithmetic. When school ended in June I had learned nothing more than I knew when I came to America. That was the last of my schooling here.

"Soon after school closed my uncle sent me to Pittston, and placed me with the Italian friends who ran a fruit stand. I began to speak a few words of English and to learn how to handle American money. I think that one of the first things I learned in business was that almost everybody in America has a nickel and loves peanuts.

"A little while at cigar making, then I went to a firm of fruit vendors in Wilkes-Barre, who gave me \$6 a month and my board. It was then that I began to send money to my mother. I sent her the six dollars nearly every month. About all the money I needed for myself in those days was for clothes.

## Worked for Billy McLaughlin

**I** lost my Wilkes-Barre job and Billy McLaughlin offered me a job in his cafe, the most popular in town. That was the best move I ever made and much that I have accomplished in life I owe to Billy McLaughlin. Billy ran a place that was patronized by doctors, lawyers, city officials, and the more successful business men.

"Billy himself was a fine type of man and a great reader. I was paid \$15 a month to look after the cellar, keep the place clean and run errands. It was a lot of money, and I sent part of it to my mother regularly.

"Billy McLaughlin taught me about Shakespeare and helped me to learn English. More than that I learned much about life in Billy McLaughlin's place. The patrons discussed everything under the sun and I listened.

"One day Mr. McLaughlin turned his keys over to me and told me he was going to Atlantic City for a little rest. When he came back in a few weeks he gave me a hundred dollars and told me to run over to Atlantic City and have a good time for a couple of weeks.

"I looked long at that gift before taking the trip. I could think of so many things that could be done with a hundred dollars and I thought that my duty was to save it. But I took the trip and had a good time. I have an idea it did me good.

## Started in Fruit Business

**B**ILLY McLAUGHLIN died in 1895 and I went to work in a rival place. But working for some one else than Billy McLaughlin was not to my liking. I had made some money and had brought my mother and two sisters to America in 1896. So in 1897 I decided to go in business for myself.

"I rented sidewalk space in front of a store and got a lumberman to trust me for enough lumber to build a fruit stand. Wholesale fruit dealers gave me a little



credit, but for my peanut roaster I had to pay cash.

"There is an art in running a fruit stand. Few people understand it; that is why there are so many failures in the fruit business. The best fruits and the most perishable must be so displayed as to tempt the passer-by. Bananas can be hung almost anywhere; the lemons can be kept back inside. Many men fail in the fruit business because they put the lemons up front. Many men fail in life because they do the same thing.

"But that \$4.50 peanut roaster which had to be turned all the time to keep the peanuts from scorching was my greatest bother. Anybody will eat peanuts, but he must have them fresh and roasted just right.

"One day I got hold of an old electric fan motor and rigged up a set of pulleys. I put that fan motor to work turning my peanut roaster. So far as I know, it was the first electrically operated peanut roaster in the world.

"Then over my stand I put a sign 'Obici, the Peanut Specialist.' People came from miles around to buy my peanuts.

"It wasn't long before grocers and confectioners in and around Wilkes-Barre were coming to me to see if I wouldn't supply them with roasted peanuts. That was the beginning of my wholesale peanut business. I put in larger roasters and began to pack five-cent bags of shelled peanuts for the trade.

"I stimulated their sale by placing in the packages coupons bearing the letters of my name, one letter in a package. Every purchaser of my peanuts whose coupons would spell out the name A. Obici got a dollar watch. I gave away 20,000 watches in two years.

#### Peanut Products an Opportunity

"MEANTIME I had begun to experiment with salted peanuts and peanut candy bars, and the business was outgrowing me. I saw no reasons why a national market for these products could not be created.

"But I had to have help and capital. It was then that I conceived the idea of the Planters Peanut Company. I took in as a partner M. M. Peruzzi, who was sales manager for one of the biggest wholesale confectionery jobbers in Scranton. He knew the trade and how to develop our market.

"In 1906, the Planters Peanut Company, of Wilkes-Barre, was incorporated with \$20,000 capital stock paid in. We started in two small store buildings with about 15 employees."

Here Mr. Obici paused and reflected.

"I have been asked many times how I got from where I was to where I am. I should answer, work and friends. I've worked 16 to 18 hours a day until in recent years and I have never lacked for friends.

"Friends have been one of my biggest assets. I never needed money for my business that I couldn't get it.

"Once, after I started in business in Wilkes-Barre, my landlord jumped my rent from \$100 to \$200 a month. I de-

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terminated to buy the building, though the price was \$39,000 and I didn't have so much as \$1,000. I secured a loan of \$39,000 from a bank, giving as security a first mortgage on the building and an insurance policy of \$10,000 on my life.

"The bankers told me that the loan was granted largely upon the recommendation of one of their directors who knew me.

"I think it was intuition that brought me to Suffolk, Va., in 1913, with \$25,000, all that the Planters Company could venture at the time, to establish a peanut cleaning business. The plan was to buy my nuts direct from the Virginia planters and clean them myself.

"It certainly didn't seem good business judgment to go to Suffolk. We could have bought our nuts from experienced cleaners in Suffolk then more advantageously than we could buy the nuts from the growers and clean them ourselves. But our venture in Suffolk grew into the manufacture of the finished product there.

"Again, I think it was largely intuition that impelled me to risk the company's future on the peanut market in 1916.

There was a short crop of peanuts; they were selling at six cents a pound for raw nuts in the hands of the planters, a very high figure. I borrowed heavily from the banks of Suffolk; then went to a bank in New York and borrowed \$100,000. I invested everything in peanuts. I had 100,000 bags of peanuts in our warehouses by the Spring of the following year. A downward turn of the market would have wiped us out. But in the late Spring of 1917 peanuts went to \$8.00 a bag."

### Graveyards and Offices

AMEDEO OBICI'S eyes at 50 are bright and fairly sparkle from a round, wistful, boyish face. Long years of hard work and discipline have had their influence upon him. It is his rule never to smile during business hours. He says, "A business office should be like a graveyard."

But he isn't so hard-boiled as all that; he simply tries to think he is. I was told that no employe ever went to him for a favor that the favor wasn't granted after Mr. Obici had had his way of looking very serious and protesting that the request was unreasonable.

## A Girl Blazes a Bus Trail

"WE will give her six months to last." That was the statement often heard in Mason City during the last six years about Helen M. Schultz, proprietor of a number of bus lines operating out of this Iowa town of twenty-five thousand and known to the public as "Iowa's Bus Queen." Her original line operating over 30 miles of highway has been extended to a system covering a daily average of nearly 2,000 miles, and where there was one bus there are now eight in regular service.

But the growth of Helen Schultz's company has been a tremendous struggle. The fight which she has had in the establishment of her business has been a varied one—with mud, with blizzards, with railroads and traction companies, with boards of supervisors and town councils and even an occasional personal encounter.

In these six years the mud, detours, spring breakups of gravelled roads and blizzards have made the going mighty hard sometimes, and Helen Schultz has personally taken a shovel more than once and led her men out on the highway to dig the buses out of snow.

### Roads Much Improved

NOW the huge tractors of the highway commission have practically eliminated the snow difficulty. And as to the roads, ribbons of concrete now extend in all directions out of Mason City and the legislature has just voted to submit a \$100,000,000 bond issue to the voters to complete short strips remaining unpaved.

Counties and cities felt that they should have some special taxes or license

fees from the new bus lines and there were bitter legal battles over these matters. Railroads and traction companies objected to her paralleling their lines and there were battles over this matter also. But today these points have practically all been decided by the courts and most of this type of opposition has melted away. In fact her competition now is coming from some of the very companies which first fought her and who are now proposing to supplement their railroad and traction service with buses.

### Oppose Women in Business?

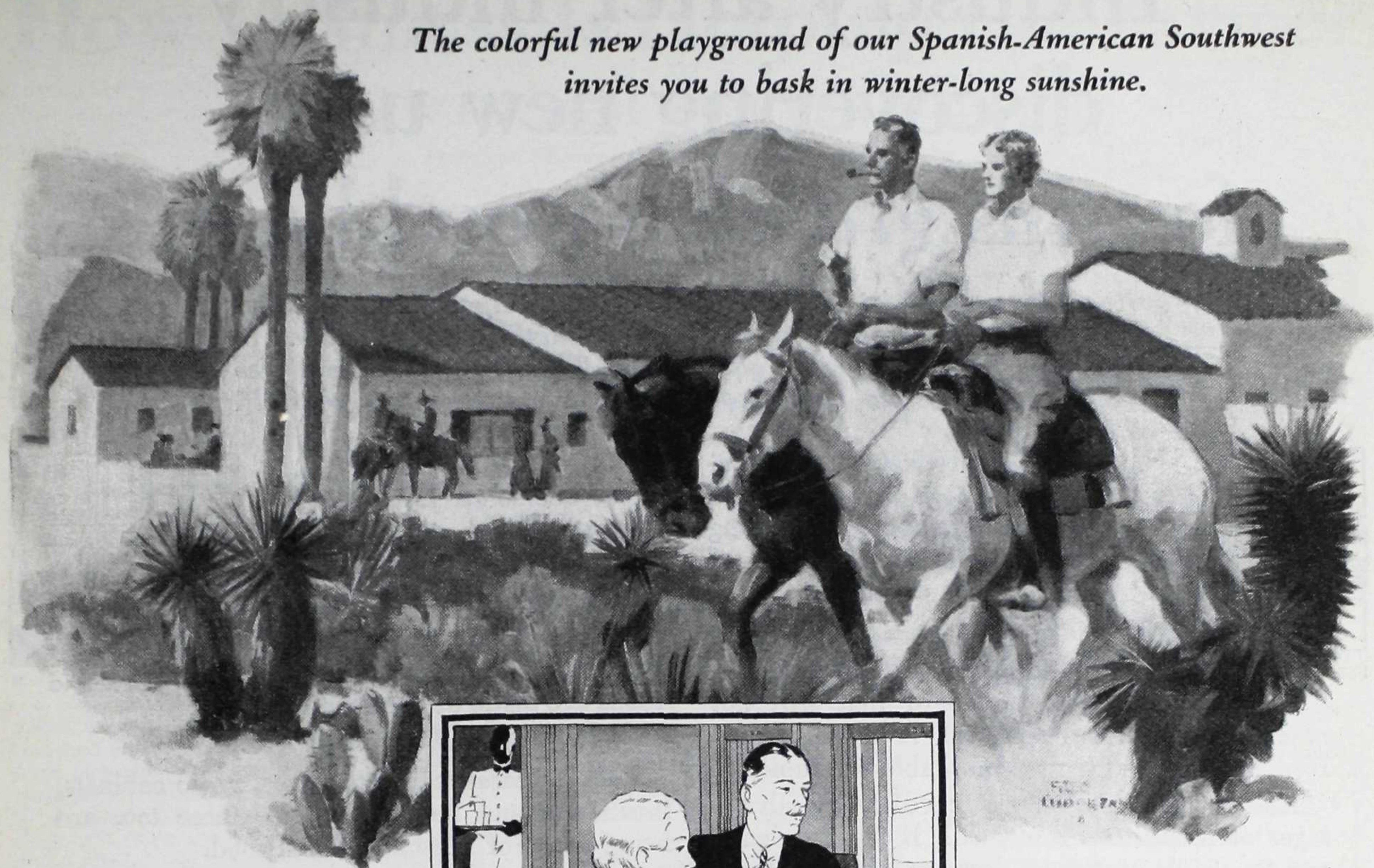
COMEDY as well as drama entered the operations of the girl manager. An amusing encounter with a city marshal took place in a city served by her company for which a jury awarded her \$1,500 damages for rough handling. Other lawsuits came and went and, without precedents to guide her, years of pioneering in a business and legal way were carried on until little remains to be done to establish the industry on a firm footing of financial and legal responsibility and in a secure position in the approval of the traveling public.

Miss Schultz, as the bus queen is still called, was married in 1925 to Donald Brewer, at that time operating a freight motor carrier out of Mason City. She has a son, Donald, Jr., who now takes part of her time. Still in her late twenties, this girl has made an enviable record in struggling through six years of hurly-burly, hard work and hurry which would have disabled many men. Sheer grit has brought her through the trying, fighting, pioneer days of an industry offering much grief at best.



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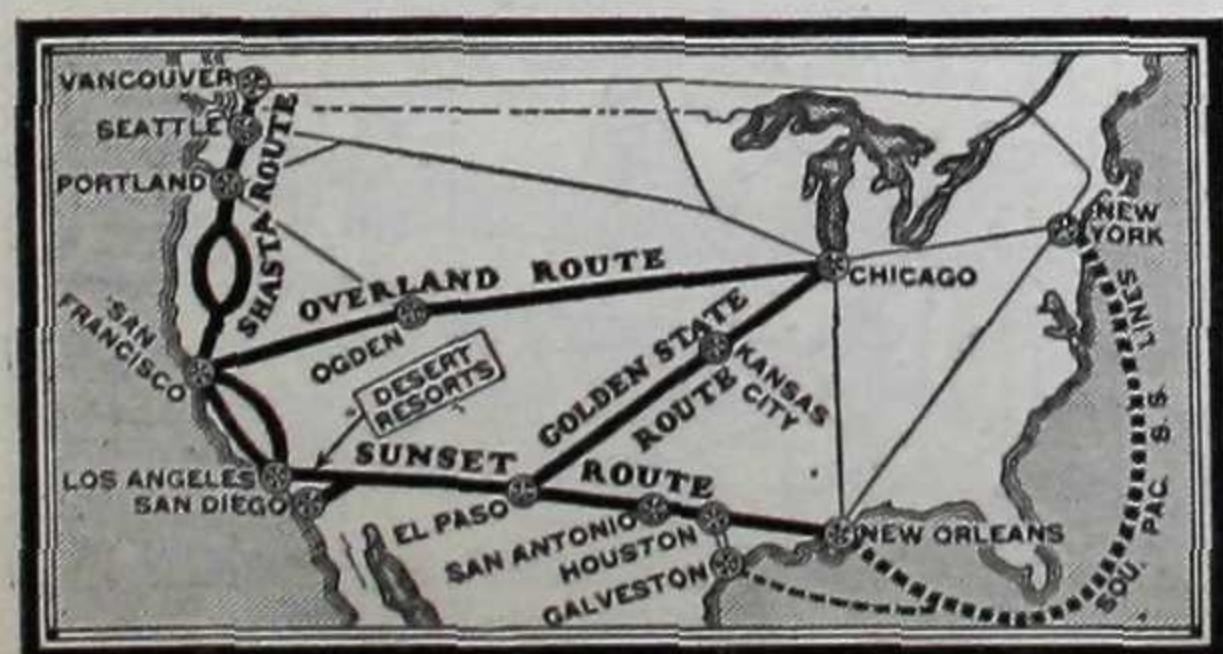
are other centers in this romantic land of great winter moons and bright stars.

Here winter is delightful. Noon-day's highest temperature averages 81°; nights average 45° and invite sleep. Visitors spend memorable days on horseback, or at golf, swimming, tennis, dancing, or basking in the day-long sunshine. And all

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facturing plants all the telephone booths are lined with it.

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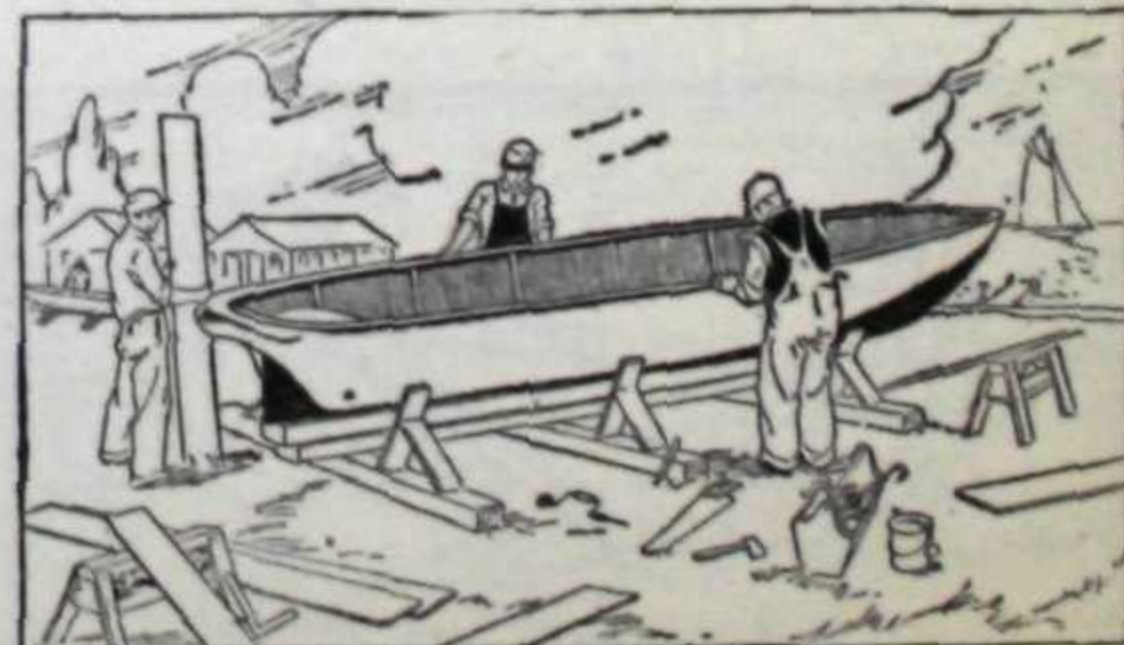


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IN BUILDING BOATS





# How Business Is Helping the Farmer

By WILLIAM BUTTERWORTH

*President, Chamber of Commerce of the United States*

**T**HROUGH a referendum vote of its more than 1,500 member organizations, the Chamber of Commerce of the United States has gone on record in favor of these propositions with respect to American agriculture:

1. We recommend that there should be strict coordination of the land, reclamation and reforestation policies of the various branches of the Federal Government concerned with activities in those fields.

2. We recommend that the bringing into cultivation of additional areas for agricultural production, at public expense, be delayed until such additional production of agricultural commodities as would result therefrom can be demonstrated to be an economic need of the nation.

3. We recommend that the Chamber reaffirm its commitment to the principle of reasonable protection for American industries, inclusive in its applicability of those branches of American agriculture subject to destructive competition from importations of foreign agricultural products and of benefit to any considerable section of the country.

4. We recommend that the principle of cooperative marketing based upon the established right of producers of agricultural commodities "to act together in associations, corporate or otherwise, with or without capital stocks, in collectively processing and manufacturing, preparing for market, handling, and marketing in interstate and foreign commerce, such products of persons so engaged" be supported, and that the Chamber recommend to producers of agricultural commodities associations into such groups along sound economic lines.

5. We recommend that the agricultural credit requirements of the United States should be met by full development and adaptation of existing agricultural credit facilities to local and commodity needs rather than by the creation of new credit facilities.

6. We recommend that a federal farm board be created, the members to be appointed by the President of the United States, and be charged with considering the problems peculiar to agriculture and submitting its conclusions and recommendations to Congress from time to time.

7. We further recommend that adequate appropriations be made for continuing economic and scientific agricultural research by the Department of Agriculture and for making the results of such researches available to the farmers of the nation.

Dwight B. Heard, of Phoenix, Ariz., chairman of the Special Committee on Agriculture that drew up the proposals, in a statement made to clear up certain misunderstandings that have arisen in western states over the condensed form in which the second recommendation

had been placed on the ballot for vote, said:

"Recommendation Two does not discourage the plan for any reclamation project but proposes only that production of farm products from additional areas made available at public expense be deferred until such production meets the test of economic necessity."

This referendum, undoubtedly will be followed by the taking of other referenda until eventually the National Chamber should have as comprehensive a policy on agriculture as it has on any other big national question.

The Chamber's work in Agriculture began with a bureau consisting of one man at a desk in our Department of Natural Resources. The bureau now has been elevated to the rank of department, fully staffed.

William Harper Dean, manager of the Agricultural Service Department, has told me that when he first came into the National Chamber five years ago, he had difficulty in seeing just how agriculture could be injected into its activities. There was just one positive conviction he had on that score. He knew, as every member of the Chamber knew, that as agriculture prospered or felt depression, every other form of business would feel in some degree that prosperity or depression; that every business man in this country has a stake in agriculture.

So this was the foundation of the National Chamber's agricultural work: the interdependence of agriculture and all other forms of business and industry.

## Doing Constructive Work

**O**UR first activity was to make a survey of our member organizations with respect to their work in agricultural development. That survey showed that chambers and associations of commerce, bankers' associations, railroads, manufacturers, and the like, were doing really constructive work with the farmers in their trade areas.

Delos L. James, assistant manager of the department constantly makes visits to member organizations, either to assist them in getting the proper start for taking on agricultural work or actually aiding in the development of their programs.

Here is an illustration of what this new teamwork can accomplish. Not long ago a member of the staff of the Agricultural Service Department was called in by a midwestern chamber of commerce to aid its agricultural committee in developing a program. There was some trouble in that trade area. Some-

thing like 50,000 acres of wheat had been winter killed. The farmers stood to take a heavy loss.

A conference between that agricultural committee and a committee representing the farmers of the trade area worked out a plan whereby the farmers agreed to plant soy beans on the winter-killed wheat acres. The local buyers contracted to take as many as a million bushels for December delivery at a guaranteed price of \$1.35 a bushel. More than 50,000 acres of land were signed up by the farmers as a result of this conference.

## Helps Members' Trade Areas

**W**E have been working toward two objectives to be of practical service to our members who wished to do their part in strengthening their trade-area agriculture, and to develop principles which would serve as a foundation for a National Chamber agricultural policy.

Studies of what commercial organizations were doing for their trade-area agriculture indicated clearly that there was no uniformity in the problems with which they were dealing. Agriculture is such a tremendous industry, its problems are many and varied. But our department sought to place its finger on as many of these regional problems as possible.

Accordingly, in cooperation with member organizations, it held regional conferences covering every section of the United States except New England, that section already was analyzing its own situation. At these conferences representative farmers and business men sat in two-day sessions discussing the agricultural problems peculiar to their regions. In this way we identified some 18 aspects of the so-called "agricultural problem."

In the meantime, our Agricultural Department with its committee had made a report on agricultural depressions which have occurred during the past 135 years.

That report was presented to our Board of Directors in 1926, when the chairman of the department committee recommended that the National Chamber sponsor the creation of an independent commission to investigate the agricultural situation.

The Board accepted the recommendation and that was the beginning of the Business Men's Commission on Agriculture. In December, 1927, the Commission made its report. Thereupon the Board authorized the appointment of a Special Committee on Agriculture to



study this report and other material and to submit its findings to the Board.

The Special Committee reported in May, this year. The Board ordered its report to referendum. Referendum 52, on Agriculture, followed.

Meantime we have been studying the tariff in its relation to agriculture; studying our banking system in its relation to agriculture. We are studying markets, domestic and foreign, for agricultural products. The Board has authorized a special committee for study of questions involved in futures trading on produce exchanges.

We had resolutions from our Southern Central Division asking us to make a study of the cotton-growing industry. Many things have happened in that field. New areas are being opened up in the Southwest, foreign production sometimes threatens serious competition. Our Agricultural Service Department has published two reports, "Cotton—A National Problem" and "The Raw-Cotton

Situation, 1924-1927." Also it made a report on the effect of government cotton crop forecasts upon cotton prices.

Our members always are interested in the effect of foreign prices of agricultural commodities upon domestic price levels. So the Chamber staff made a study and analysis of these prices and issued a report under the title "Prices of Agricultural Exports."

#### Studies Costs and Mechanizations

**WE HAVE** made studies of various types of cooperative marketing. So much has been said about average costs of production of farm products and average incomes to farmers that our department has made a report on cost and income variations, and causes.

Our Agricultural Service Department is making a survey of the mechanization of the farm, as well as analyzing methods and results of large-scale farming enterprises.

Farm waste and by-products have at-

tracted attention in recent years. Laboratory work is being done to convert such waste and by-products into commodities with real values. Corn cobs, corn stalks, oat hulls, wheat straw, and other substances are being used. How far these new developments will take us, we don't know. We need to find out. Therefore, we are making a survey of this development.

There are many opportunities today to produce crops of special quality and grade, not only for direct consumer markets but for manufacturers who use these in great quantities. We want to discover these opportunities and make them known to the farmers.

We want to make the National Chamber a real power in putting into practical application this fact that all business in America is united in a bond of common interests, and that nowhere is this more strikingly demonstrated than in the relation of agriculture to other industry and business.

# Agriculture Welcomes Business' Aid

By HENRY WALLACE

*Editor, Wallaces' Farmer, Des Moines, Iowa*

**TO THAT** primary concern of the business community—development of a more stable condition for agriculture—officers and members of the United States Chamber of Commerce have consistently devoted their consideration. This interest is here appraised by one who knows farm life and problems intimately through the broad contacts of his editorship

**B**USINESS gave proof of its genuine interest in the agricultural problem when the Chamber of Commerce of the United States, by an overwhelming vote, adopted the seven recommendations which were recently submitted to a referendum of local chambers. Farm organizations are generally agreed that these seven recommendations are sound and they welcome the support which organized business now is ready to give to the agricultural cause.

The first and second of the seven proposals have to do with a sound government land policy. The business men of the United States have now officially recognized that the days of rapid land exploitation have come to an end and that it may possibly be wise to reverse the process and develop a government policy of land conservation.

It may interest the business men to know that some of us are beginning to wonder if it might not be worth while for the government to go a little further

and buy up the sub-marginal cotton, corn, and wheat land with the idea of reforesting or regrassing.

Both from the standpoint of present agricultural requirements and future needs, such a policy might well be justified. The business men have not quite reached the position of the most advanced agricultural thought on this matter of a government land policy but their stand is decidedly encouraging.

The third proposal, which, briefly stated, is to the effect that agriculture is entitled to a fair share in the tariff benefits, is something for which both the Republican and Democratic parties declared this year. It would seem, therefore, that it should be very simple during the next year or two to revise the tariff laws to give agriculture a square deal.

Farmers will wonder of course if the adoption of this third proposal means that business men are in favor of a stiff tariff on hides, vegetable oils, and blackstrap molasses. Tariffs on these products

would help the price of corn by three or four cents a bushel and the price of cattle and hogs by perhaps one-quarter of a cent a pound.

Congressmen who campaigned for the Republican party suggested to the farmers that such tariffs might be given them. The farmers are suspicious, however, that the tariff is always a log rolling proposition and that in the final analysis the farmers get the worst of it, no matter whether the Republican or the Democratic party be in power. Speaking for agriculture, I am glad to see organized business standing for a tariff which will provide a square deal for agriculture.

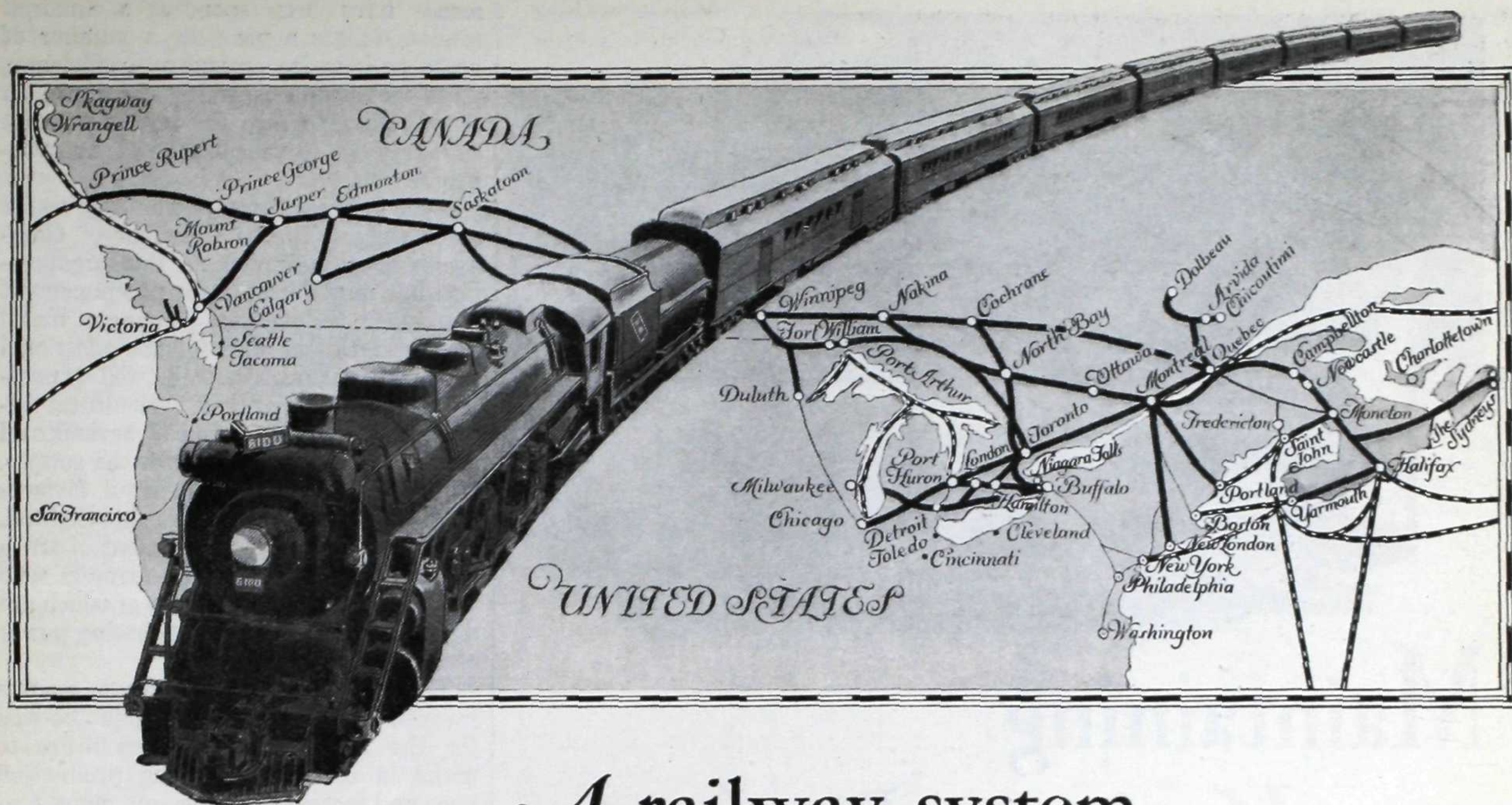
It is reassuring to farmers to find the chambers of commerce voting so strongly in favor of the cooperative marketing of agricultural products. The declaration for the full development of agricultural credit requirements through existing facilities is a pious wish. Farmers are in agreement with this, but not greatly impressed.

#### Divergent Views Held

**T**HE recommendation of adequate federal appropriations for economic and scientific agricultural research by the Department of Agriculture has received the backing of the American Farm Bureau Federation and the National Grange for many years. It has not received the backing of the Farmers' Union, however.

In fact many farmers feel that inasmuch as the state and federal govern-





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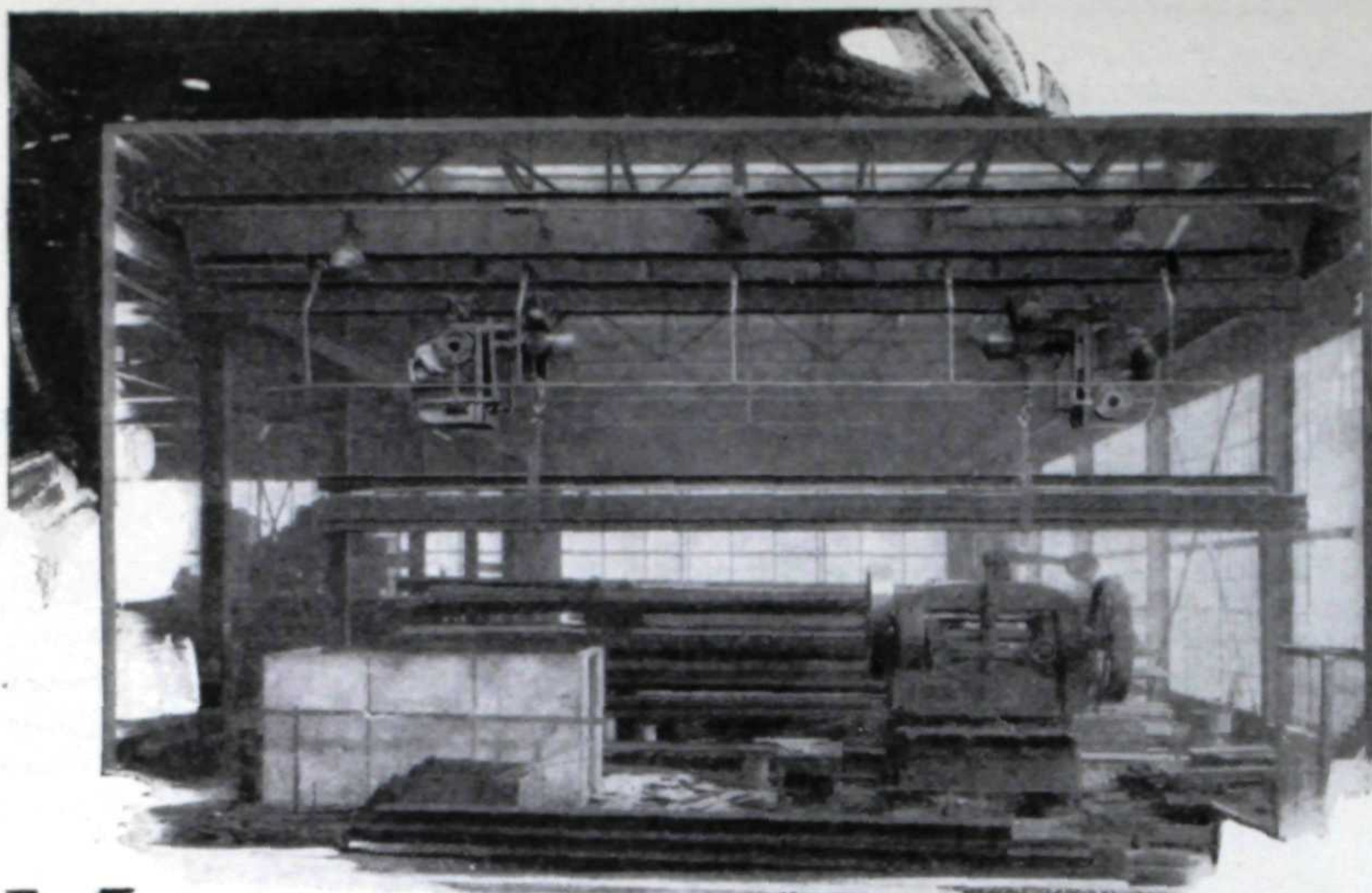
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ments have been spending a hundred million dollars a year for a number of years to increase agricultural efficiency, these governments were, therefore, in duty bound to face the results of that efficiency as it was expressed in over-production.

Some of these farmers would go so far as to suggest to the Chamber of Commerce that inasmuch as this organization has now declared for postponement of further reclamation projects until demonstration of need for the additional production, it might also be well to postpone further scientific agricultural research until consumption of agricultural products has caught up with the supply. Of course the more thoughtful farmers realize that this attitude is shortsighted.

There is, however, an element of truth in it, especially for those farmers who produce products the prices of which are determined by the low purchasing power of European labor.

The enlightened farm attitude on this seventh proposal is that it might be well for the Department of Agriculture to maintain its research along production lines and increase the research along economic lines.

## A Close Relationship

IF the majority of the business men of the United States are genuinely behind the seven recommendations, then it may be said that the farmers of the United States and the business men are closer together today than they have been for many years. Of course there is a large group of middle-western and southern farmers who feel that if the tariff is to be made effective for agriculture some form of the McNary-Haugen bill must be adopted.

If family-sized farmers are to be given a fair share in the national income they believe that it will be necessary to put legislation on the statute books which will give them the moral, legal, and economic equivalent of what the corporate form of organization gives to industry. They do not believe that cooperative laws altogether answer the purpose. Many of them think that the McNary-Haugen bill is a step in the direction they would like to take.

The farmers of the United States will be glad to know that the Chamber of Commerce has been able to analyze the agricultural problem so thoughtfully. It will be interesting to see if the farmers and the business men can work together in the next Congress to develop a sound national land policy and a sound tariff policy.

## High Living Indeed!

SOMEHOW, the repetition of sausage on the menu of the Graf Zeppelin seemed singularly appropriate. Form, if not substance, reveals a notable conformity to the portly casing of this newest air liner. Olympian such fare may not be, but it is high living by any standard of measure.

Write for a copy of Shepard's Aerial Railway of Industry Bulletin. It describes numerous labor saving applications in many branches of industry.





## Shellac Adopts Ethics Code

**H**IGH praise for an industry which took a courageous step in adopting a code of ethics is to be found in *Oil, Paint and Drug Reporter*, in discussing the recent action of the American Bleached Shellac Manufacturers' Association.

That so many evils have existed in the trade is reason in plenty for the association's action, in the opinion of the *Reporter*. It might well be asked why their correction was not long ago undertaken.

There is this to be said with reference to the question whether the shellac bleachers' essaying of the purification of the shellac trade was not long overdue: many of the evils lie in other divisions of the trade; these, as well as most of the others, have arisen from practices prevailing in other lines of industry. Of course, the necessity for resistance to these baneful influences has existed.

It is one of the unfortunate characteristics of business, prevailing to an unnecessary extent as a usual thing, to fail, or to fear, to stand four-square against the insidious, or open, attacks of buyers on the integrity of trade.

### Bad Practices Hurt Industry

**T**HIS complacency of business makes all the more noteworthy the dicta of the shellac bleachers' association condemning dealing with those who market adulterated shellac preparations or divert alcohol into illegal channels. These condemnations have been expressed in full realization of the injury done to the entire shellac industry by practices in which the industry as a whole has had no part, practices which, in truth, have not been of, or in, the shellac industry, but, nevertheless, would not be possible without the assistance of the shellac bleacher.

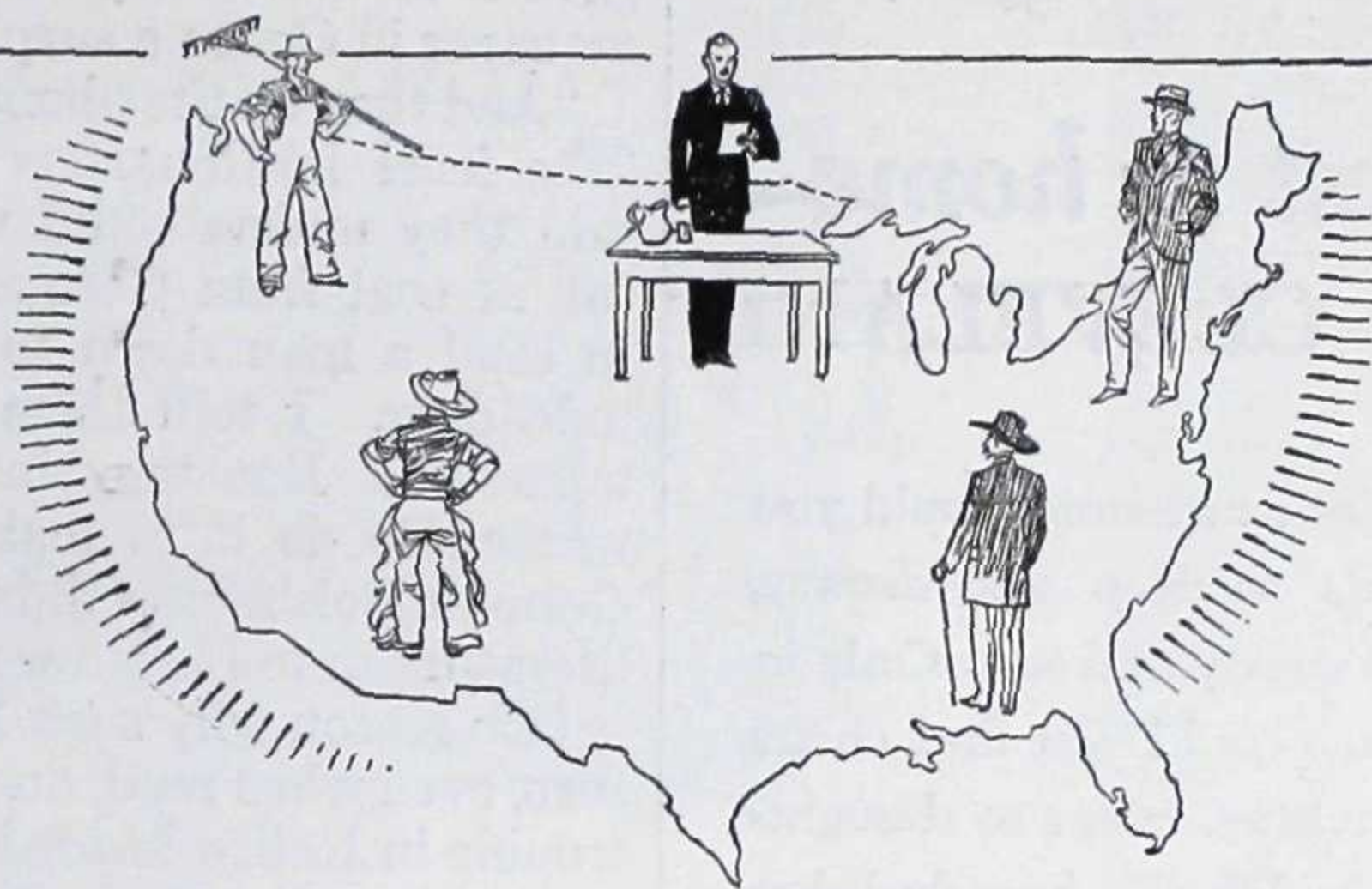
It has not been enough for the bleachers' organization to essay the cleansing of the garments of the industry which it represents. Its action in endeavoring to assure for shellac a clean bill of health through all the channels of its distribution is highly deserving of general industrial emulation.

The cynical group of philosophers of an early school gave voice to the opinion that a man could not be wholly honest and remain in business. Philosophers of a later school declare that men of high intelligence cannot be successful in business, because they will not lend themselves to certain practices which are all too widely accepted as being prerequisites of profitable commercial undertakings. These statements, of course, are of the nature of most such generalities. Some foundation in fact exists; but, business as a whole is not trickery and dishonesty.

The ramifications of the shellac industry in the channels of general business are widespread. Therefore, the attempt of the shellac bleachers' organization to make shellac an honest product turned to honorable ends is certain to be of wide influence. As an influence for good it cannot be too wide—if one may judge the need for reformation on the basis of the number of evils against which the shellac bleachers have declared.

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# Russia and Italy Pin their Hopes on America's Ways of Work

(Continued from page 27)

cease to "make jobs" by stopping the numerous road and other construction operations which they have begun under the Duce's pressure, what will be the net results?

Quite easily, after a few months of idle factories and jobless thousands, there might be brought about such a dumping of Italian goods upon the world as would trouble American and all other producers, or worse, throw Italy back into civil war and the hands of the communists.

This latter fear it was that recently gave a certain newly arrived production manager in Genoa a surprise.

"And then on the phone," he recounted, "the local headquarters of the Fascisti said they understood I was getting in a car of coal from Germany, and wanted to send a man down to superintend its unloading. I told them we could do it ourselves. But they insisted that they wanted to do it to make sure that the German Bolsheviks didn't smuggle their literature in to Italian workers."

One reason why such Bolshevik literature, even when read, does not make more trouble in Italian heads is Mussolini's uncanny way of keeping customers as well as producers in mind.

### Il Duce Considers Consumers

"SO when," explained a captain of Turin industry, "the Italian manufacturers explained to him how they couldn't build and sell their tractors for less than say 30,000 lire against the 24,000 of an American competitor assembling them in Italy, and couldn't get more than, say a six-mile speed against the American's eight, he asked them what they wanted him to do. When they explained they wanted either a higher tariff on parts or a law requiring a licensed driver for tractors going over six miles per hour, he went right up through the roof. He reminded them what 6,000 lire meant to the Italian farmer—and finally told them to get out of his office and go home and study production methods."

Nevertheless, wide-spread unemployment or restlessness might serve to convince the Duce and his associates that, to help their people forget their troubles, or the shortcomings of the Fascist heads of the new politico-industrial state, they should start a war. Though Europe fears this somewhat less than formerly, it nevertheless bears in mind, especially after the failure of the Nobile affair, the difficulties of any dictator who simply must contrive new stunts in order somehow to keep up with the inscription on Italy's newest twenty-lira piece:

"Better," it reads, "a lion for a day, than for a hundred years, a sheep!"

It may be that those Swiss and French hotel keepers are perturbed because the Fascist officials so generally refuse to give passports to fellow-citizens who want

to spend their vacation money outside of Italy. But it is not strange that Italian waiters join the Russian peasants and workers in wanting to come to the wonderland of America, or that practically everybody in the world finds Italy more than a little dangerous and "touchy."

Similarly, in Soviet Russia, the peace and well-being of ourselves and many other peoples hangs on the ability of the rulers not merely, like other rulers, to reign, but to lower the costs of production—and to lower them soon unless it wants to face the threat of starvation at the hands of sullen peasants.

### Russia Wants Machinery

IT IS in line with those conversational straws that the way out of this dangerous dilemma is considered everywhere in Russia to be—you'd never guess—nothing less than *American machinery*.

"Yes, prices of our factory products are high," say Russia's leaders to the grumblers, "but if you'll only lend us money, we'll give you cheap goods by buying and operating those wonderful machines which have made America so rich."

Unfortunately, any fair observer is certain to be pessimistic, to fear, that without huge changes in its present set-up, the job of making Russia's industry properly efficient is too great for even the best of our machines, aided by even our best consultants.

The fault lies less with America than with Marx.

"The sole value of things comes from Labor, not from Money or Management," such were his ideas preached to Russia's peasants and workers. "Hence this farm or this factory belongs to you. We'll send you word just when to take it over."

For causing a revolution it would be hard to find a better tool than that. The trouble is that the more you use this crowbar for smashing the old order of things, the harder it is to hide the darn thing when you want people to run the new order with brains as well as brawn.

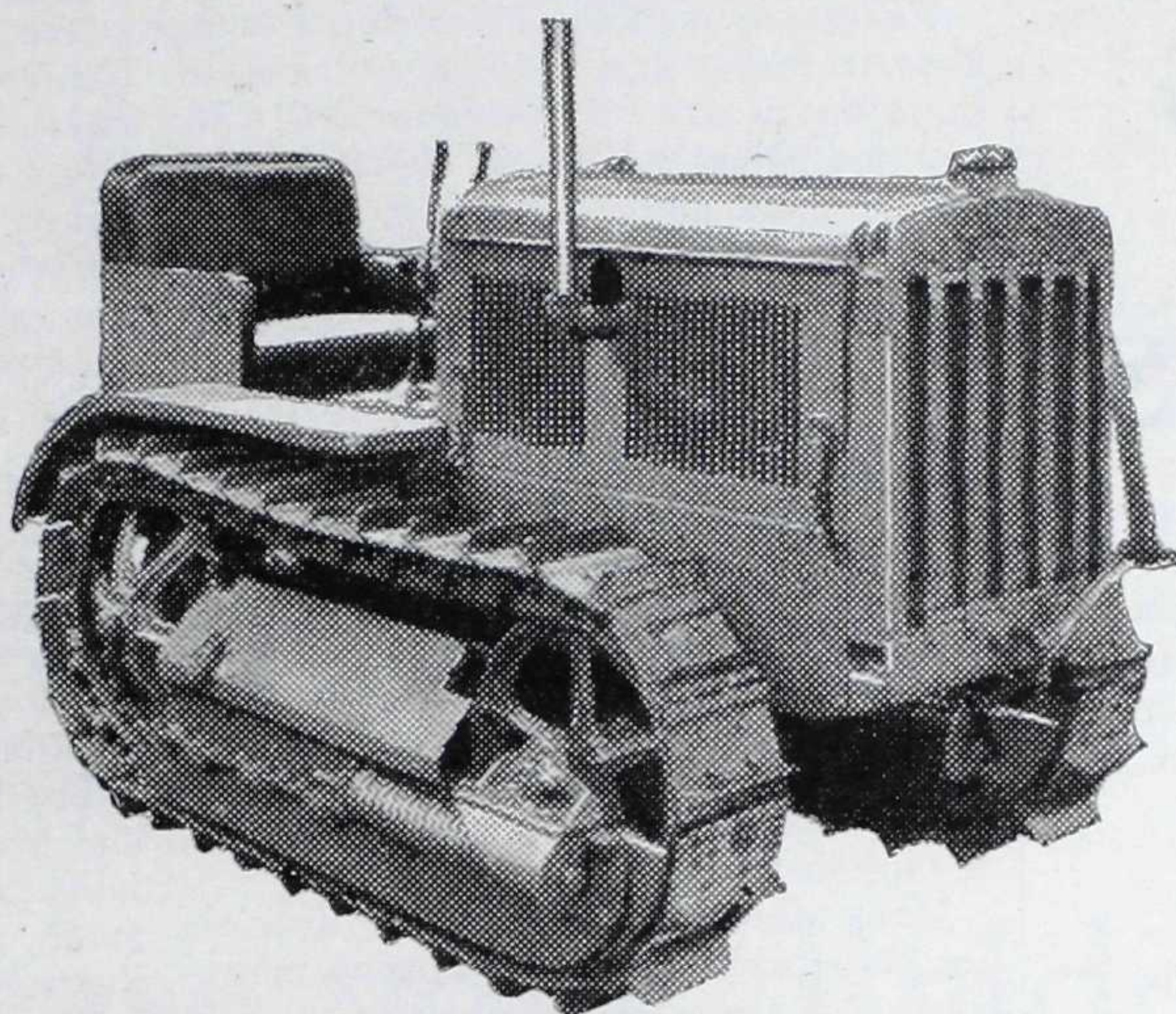
"The trouble here," lamented one of the few foreign concessionnaires, "is that any man of training and intelligence is looked upon as an enemy of the people."

Today the big difference in Russia's and Italy's chances of making the grade is in the fact that, while Italy's leaders are free to ask the help of all the brains they want, Russia's present higher-ups over-sold Marx's crowbar so far that if they now try to unsell it, their followers will accuse them of little less than treason.

The reason why American machinery will fail to bring proper individual wages and buying power through proper individual productiveness becomes plain when you see mines and plants employing five or ten thousand men put under the complete charge of a "Red Director." For, though he is probably a brilliant communist orator, he was before the revolu-



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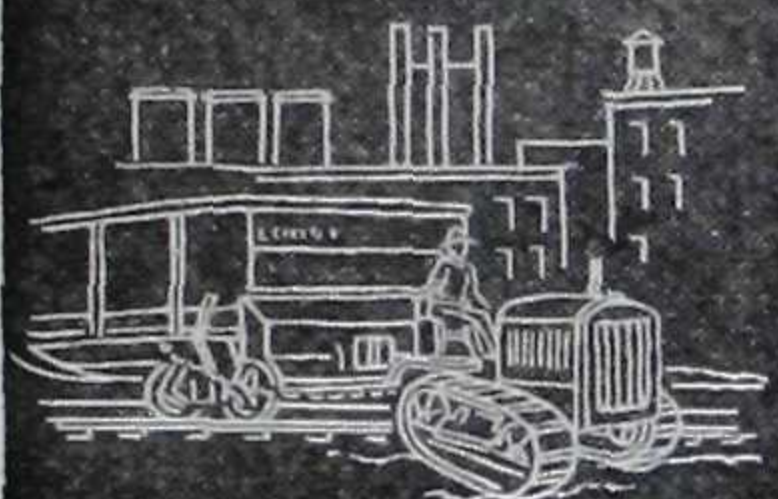
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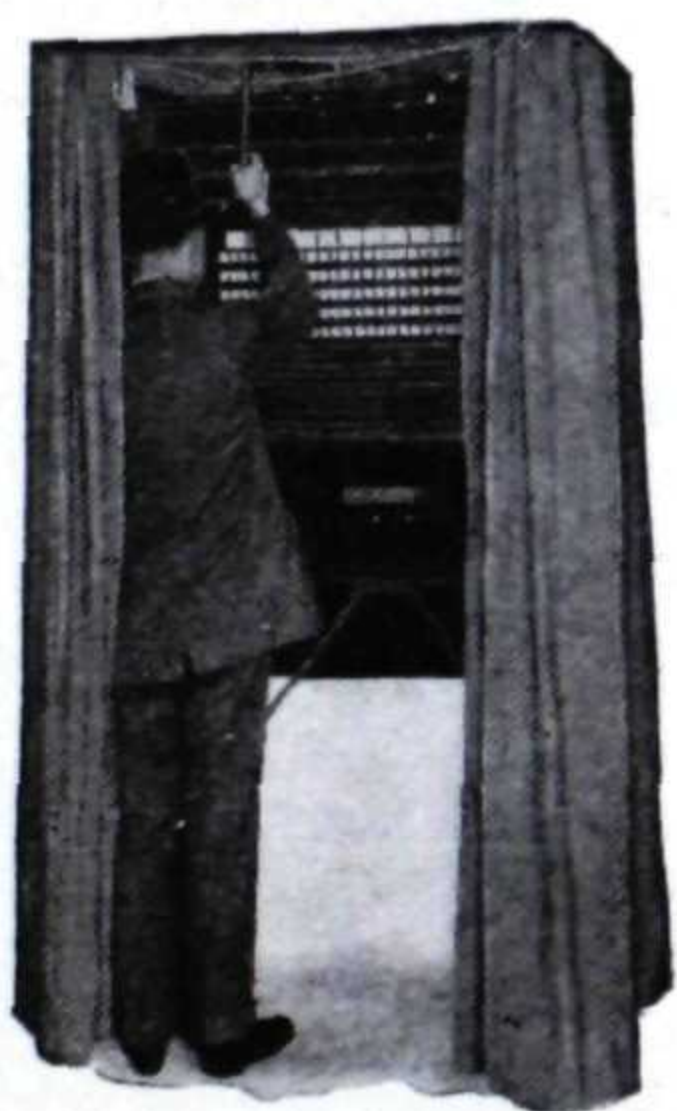


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tion nothing more skilled than a hand laborer, and today has little or no idea what the trained engineers and "technicians" under him are talking about. When he meets them to discuss operations, he asks in, of course, 15 or 20 other of his equally untrained communist associates.

Together they do their best to make sure, first, that these tricky and overpaid educated fellows do not "put anything over" on loyal communist ignorance, and second, that, if they do, or if any of their operating plans fail to work out, the government may not fix the blame on any single one of them.

Not one of them but knows that if some financial loss or some accident in the mine shaft can in any way be connected with any individual's vote or signature, he may be found guilty of treason.

Such distrust and contempt for brains and such universal sidestepping bring about, of course, astonishing unhappiness of workers and disorganization of plant. Complaints about pay shortages, cuts in piece rates, and overtime work without extra pay multiply and the workers "sand" their machines and resort to other acts of sabotage exactly as if their bosses were the most bloodthirsty of capitalists.

This situation is, of course, known in Russia. But it is represented largely as merely the start of the war by that "ring of capitalist nations around us."

Many observers claim that overuse has been made of third-degree methods to procure "confessions" from men whose fault probably was that, like all other Russians today, they were too open to offers of increased income on the side, including the bribes of salesmen of (non-American) machinery.

### Becoming a "Race of Swindlers"

**T**HESE poor fellows merely prove," a skilled worker explained to me, "that we are all here becoming a race of swindlers. You see we simply can't live on our wages and salaries. So we engage in any deal, lawful or unlawful—for instance, buying that sweater of yours and maybe selling it for more. That means we all daily face imprisonment, for all such business is against the law. But after all, why should we sidestep jail? That's where you meet nowadays most of our best educated people."

In any event, the nation-wide publicity given some mining engineers' trial by newsprint, radio and movie, and the contempt it increased for the educated man in industry, make it all the more difficult to persuade the working masses that there is really anything in efficient industrial production outside of getting the right number of revolutions per minute out of the right amount of machinery bought in America.

Still worse, however, such publicity makes all the easier the holding of a "Defense Week" like that of last August, when everybody was taught how to put on gas masks—besides being scared by those "outside enemies" into the solidarity and discipline of war time.

Just in so far as the leaders and workers

realize their final inability industrially to carry on actual warfare, the greater will be their dependence on that sinister method of defense represented by subterranean, world-wide Marxian propaganda aimed, in their words, to "demoralize completely the enemy's forces by making communists of its soldiers and especially its workers in the factories and mines behind the lines."

I found it hard last August to keep silent as the mine-town movie screen disclosed the wage earners of America rising against their hated masters and raising the red flag of communism! Nor did it help much to be assured that such propaganda, as well as the World Communists' Conference which for weeks last summer in Moscow discussed the progress of revolution in every country of the globe, is rightly charged against the Communist Party rather than the Soviet Government. For anywhere in Russia the observer finds it extremely difficult to know just where party leaves off and government begins.

### Party Makes Social Gains

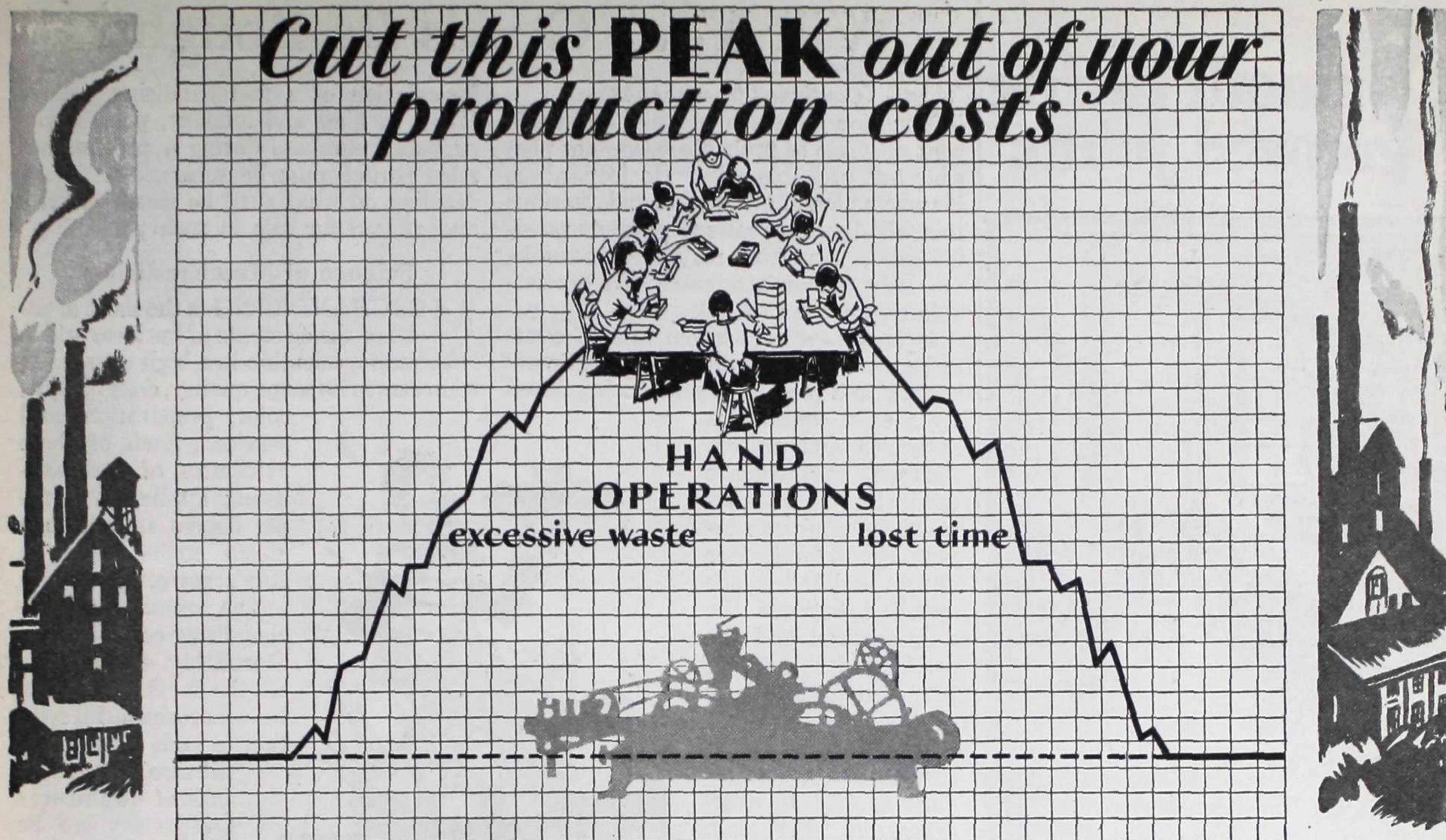
**B**UT after all, these party heads are highly intelligent men, eager to make worth-while history—with some genuine social gains for the Russian masses, it must be said, to their credit.

But it certainly looks as if these new and vociferous appeals to foreign capitalist and manager must somehow be made to bring better individual productiveness to the Russian worker—and soon! Failing this, bread riots and other forms of wide-spread unrest among the country's 146,000,000 non-communists is more than likely, before long, to produce, not a nation-wide revolt—the spies and agents of the dreaded G. P. U. are too numerous for that!—but instead such "palace revolutions" among the top-most leaders of the million communists as will break up the entire show.

All of which means that probably the best thing we here can do is to observe both managers and men in Italy and Russia with a combination not so much of watchful waiting as of careful hoping. That would include a willingness to let them work out their domestic problems in their own way, playing with all the domestic rope they think they need, together with a charitable wish that they by no means hang themselves. For that would take permanently out of the world's markets the huge buying power of nearly 200 million people.

Such careful hoping would also include our own fervent resolve so to set our own house in order that never, never amongst us might be found anything like that political demoralization and spinelessness which originally gave opportunity to Italy's communists and thus necessitated the effective but undemocratic compulsions—called sometimes the "Sing Sing efficiencies"—of the Fascist counter-revolution, nor, also, anything in either our government or industry like that dishonesty and injustice which persuaded millions of self-respecting Russians to destroy Tsardom.





## Increase your dividends without increasing your sales

**H**UMAN hands are building a peak like this in the production costs of many plants today. Waste time, waste material—waste is always excessive wherever production operations are performed by hand. Nearly every plant has one or more spots like this in its production simply because no machine has ever been built to do the work.

Special Production Machines, Inc., has eliminated this expensive peak in the production costs of a number of plants by designing and building special machines to eliminate costly hand labor. In other plants

*a machine*  
**CAN DO IT**

we have cut costs by speeding up and improving their present machinery. In a number of cases where manufacturers have been attempting to conduct their own research, we have helped them bring it to a successful conclusion. In practically every case our work has resulted in substantial savings through speedier production and lower manufacturing costs.

A booklet describing the services of Special Production Machines, how it operates and how it is serving manufacturers, will be sent on request. Special Production Machines, Inc., Norfolk Downs, Mass.

# SPECIAL PRODUCTION MACHINES

— I N C . —

A Division of

PNEUMATIC SCALE CORPORATION, LIMITED

For over thirty-five years Pneumatic Scale Corporation, Limited, has manufactured automatic labor-saving machinery for many of the world's largest producers of merchandise.



# Smooth fitting grooved joints



## -keep these walls true and solid

In erecting a seven-foot Circle A Partition, only two screws are required for each three feet of partition—five screws when sections are ceiling height.

Circle A Partitions do not depend on screws for strength to hold their units together. And so, they do not require from ten to eighteen screws per section.

These solid, Circle A walls fit together with true-fitting tongue and groove joints. Each section fits into the next—each one bracing its neighbor.

With Circle A Partitions, light, telephone and signal wires are concealed. Wiring channels at both sides of each post, and in the cornice look after them. These office walls provide private offices, easily, quickly, inexpensively. Send for our book.

Also Distributors for Churchill Telephone Booths  
CIRCLE A PRODUCTS CORPORATION  
658 South 25th Street, Newcastle, Indiana  
New York Office  
Farmers Loan & Trust Bldg., 475 Fifth Ave., New York

# CIRCLE

## PARTITIONS

SECTIONAL • MOVABLE

When writing please mention Nation's Business

# Will Your Goods Be Bought?

(Continued from page 19)

information on which to make an intelligent estimate of probable sales—not possible but probable sales. He jeopardizes his whole plan of production and distribution who bases his sales forecast on possible sales. Anything may seem possible, but only certain attainable and predictable results are probable.

It is a part of wisdom not to overestimate sales. Beating a sales estimate is a joy to a good salesman. Being licked by a sales estimate is sackcloth and ashes. And why overestimate anyway? There is always the minimum inventory of finished or almost finished goods standing between the sales forecast and the production schedule, prepared at all times to take up the slack. But radical underestimation of sales is almost as bad as overestimation. It is plain common sense to hew to the line, to put down on paper as the sales forecast what can be believed in confidently as the probable sales.

Each forecast of sales can be made a ladder upon which a management can climb to success by treading beneath its feet each failure in estimating market probabilities, learning from such failures how to avoid them in future.

Using golf parlance, the attaining of 95 per cent of the estimate is bogey in the great game of sales forecasting and 97 per cent means shooting par. The dub begins around 75 per cent.

Every one will admit that if it were possible to make a sales forecast that proved 100 per cent correct, the maximum efficiency at the minimum of cost would be obtained. Therefore, that management is most efficient that can most accurately forecast its sales.

## A Wage-Earner Prosperity

MARKET study is particularly interesting and instructive at the present time because of the broad dissemination of consumer purchasing power. It is admitted generally that one of the outstanding causes for the general prosperity which exists in this country lies in the increased capacity of wage earners to purchase merchandise. The study of this extensive new market is therefore of vital importance. Wage earners are purchasing all kinds of things, but, definitely, what types of things are they purchasing and through what channels of distribution? These are the questions to which manufacturers must find the answer.

Market study naturally precedes the

formulation of a merchandising policy. What, in kind and amount, people will probably purchase during a prospective sales period must be ascertained before deciding on what shall be manufactured and offered for sale in such period.

## Science of Merchandising

MERCHANDISING is the most artistic of the elements of business and it is becoming scientific in a high degree. It embraces in its scope quality, design, style, color, preparation, and service. Each of these attributes of merchandising applies in varying degree as well to a steam engine as to a lady's gown.

The science of merchandising consists in so thoroughly examining all the facts which can be ascertained in relation to each of these attributes that assurance of consumer acceptance can be anticipated with a reasonable confidence.

Such a study will include, naturally, the relation of production cost to sales price; and the stu-

dent will find the hands of all good men held out to help him. He will discover the tools of scientific research at his fingertips. He has only to grasp and employ them. The leaders of the present age are not secretive. They tell freely what they know. Cooperation is fast becoming a human characteristic, something natural, not acquired.

The business man facing current competitive conditions can possess no equipment superior to a comprehensive understanding of the principles and practices of scientific administration. He must recognize the fact that research is the primary principle: industrial research, which leads to the discovery of new and better mechanical and chemical processes; merchandising research, the object of which is the development of more attractive and profitable products; sales research, which is the study of markets and improved methods of distribution; management research, which seeks methods to simplify and perfect processes of direction and control, and to discover most effective ways of administration.

The producer who can best forecast his income can plan most effectively and most economically his operating schedule. The proper accomplishment of these things is the most challenging problem in the industrial world today.

This article is part of a forthcoming book, "The New Way to Net Profits," copyright by Harper & Brothers, New York.

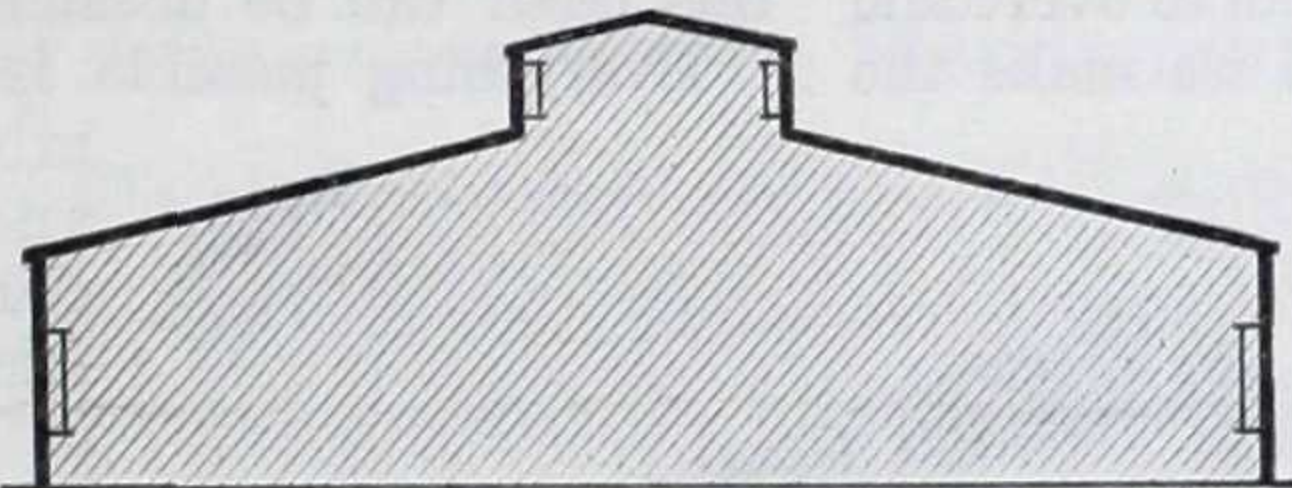
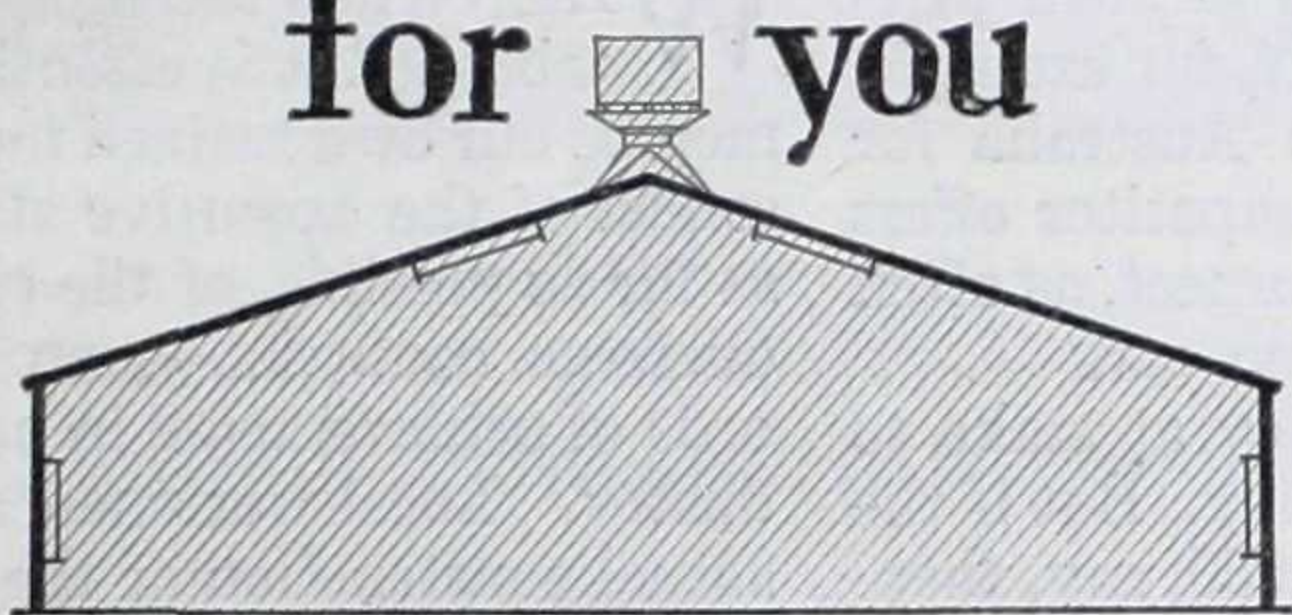


The good merchandiser must be something of an artist, knowing his style, color, design

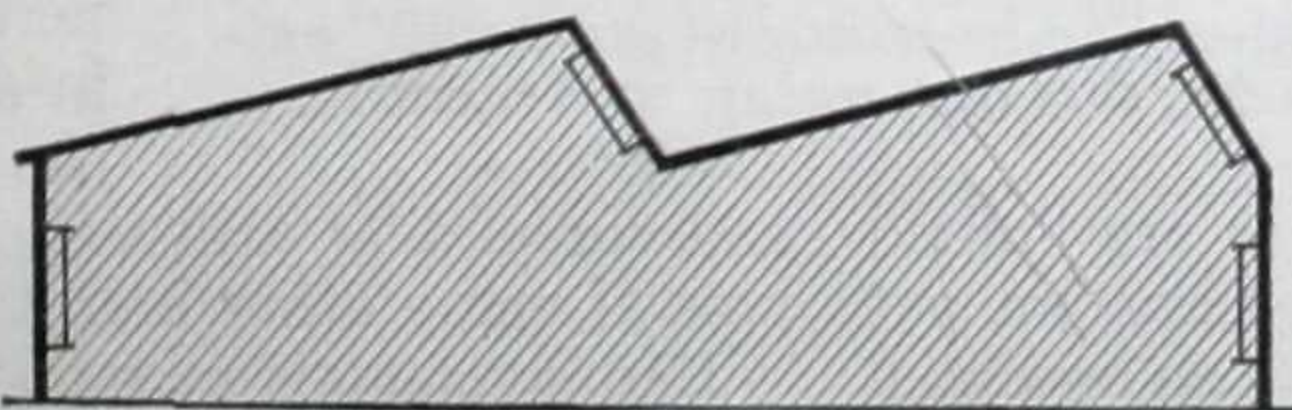
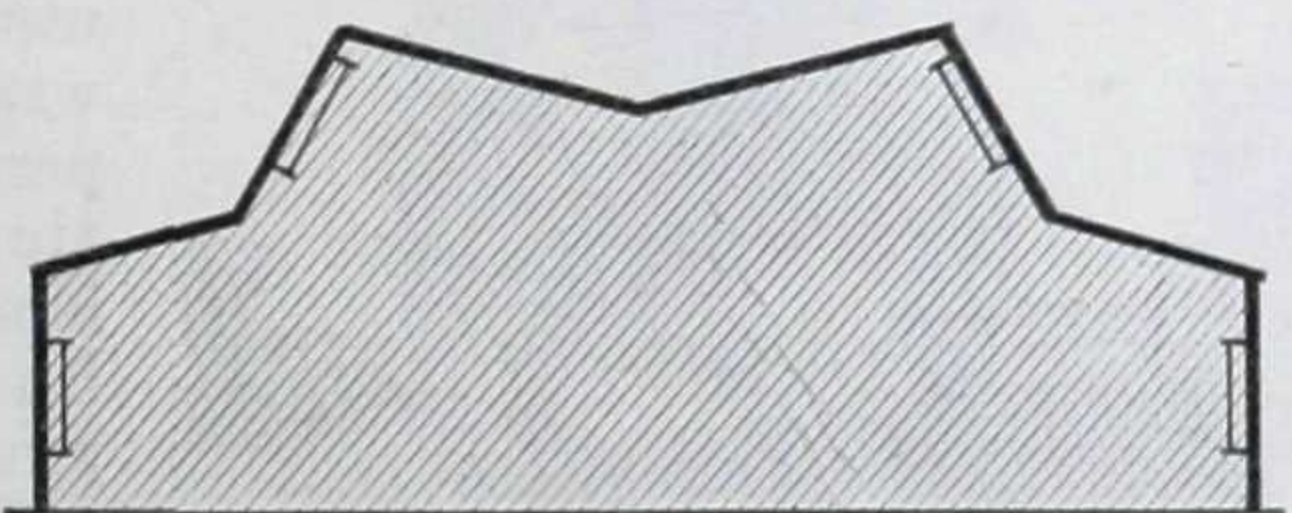
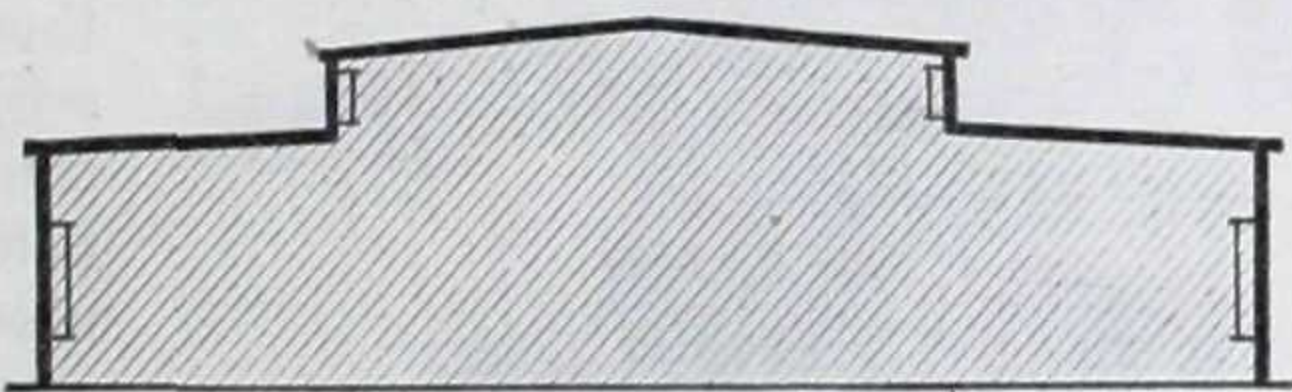


# WHY?

**ONE**  
of these buildings  
**IS BEST**  
for you



**WHICH?**



**WHICH** of these buildings would you choose for your plant? And why?

Not merely for looks. Not just for architectural considerations. But for sound business and production reasons.

One of these types costs less to build than the others. Yet it is much more effective... from many angles. It provides more daylight in the building... and more of the special kind of daylight which is most effective for industrial work. It provides better ventilation... under all conditions of weather.

Would you like to know which building is best? The H. H. Robertson Company is in a position to give you information on the original cost, maintenance, general operating charges, ventilating and daylighting of all these buildings... and others besides.

Let us send you this information. Just drop us a note saying you would like to know which of these types of buildings is best. It will cost you nothing and will not obligate you. You will find it disinterested advice, for the Robertson Company's products are suitable to all these types.

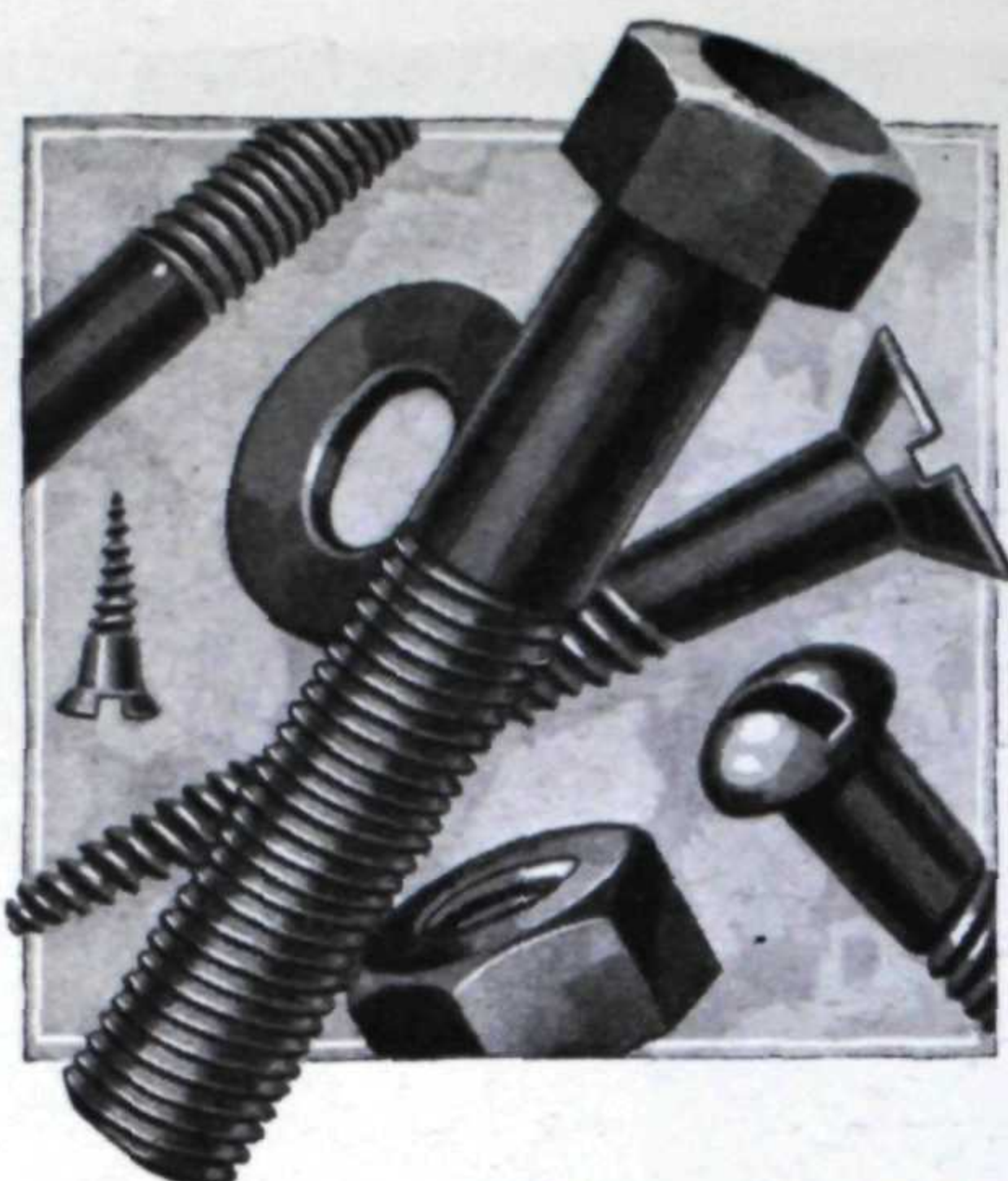
H. H. ROBERTSON CO. • PITTSBURGH

*ask*  
**ROBERTSON**



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## Rust-Proof Because PARKERIZED

**N**UTS, bolts, washers and screws are in universal use—entering directly or indirectly into the fabrication of every manufactured product. The volume of these essentials now being protected against rust by Parkerizing totals hundreds of tons daily.

Rust is an insidious enemy in the home as well as in the factory—wherever iron or steel is used. Rust is no longer inevitable. Today leading manufacturers in every line of industry are finding in Parkerizing an effective protection from corrosion.

The Parker Process is available to any manufacturer who will install the few simple tanks required. It fits perfectly into modern production methods.

Parkerizing is accomplished by immersing cleaned iron or steel articles in a solution of hot water and "Parco Powder" a clean dry chemical of concentrated rust-proofing energy, producing adequate results at low cost. Our engineers and chemists are qualified to advise you concerning the use of the Parker Process as applied to your individual requirements.

*Parkerizing jobbing service plants are located in twenty-five industrial centers*

### PARKER RUST-PROOF COMPANY

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Send me, without obligation, your monthly THE PARKERIZER and your book PARKER RUST-PROOFING PROCESS.

Name \_\_\_\_\_

Address \_\_\_\_\_

D-N. B.



*When writing please mention Nation's Business*

## Making the World Move Faster

(Continued from page 22)

ties to which the American-made motor car is bringing a new outlook on life.

We used to say that education follows the Flag. So it does. But our motor cars often run ahead of the Flag, and improvement and education follow just as surely in its path.

I have been asked often why it is that local patriotism does not more seriously hamper the sale and distribution of American cars in foreign countries. Well, the answer is that human nature is pretty much the same the world over.

In matters that do not touch national honor or impinge too strongly upon national prejudices men will invariably buy where they can get the best quality at the lowest price. My experience has been that patriotism, so called—for it would be truer to say national partiality—amounts to less than one per cent in such matters of business dealing. If, for example, we offer a car for sale in Australia for \$1,000, and our British competitor offers his make at \$1,010, the prospect, as often as not, will take the British car.

There isn't enough money at stake to overcome his national leaning. But if the British car is priced at \$1,050, say, there is enough ready cash at stake to overcome the national partiality and we make the sale. The same thing is true all over the world. For various practical reasons, having to do with tariffs and cost of freighting and handling, we have found it advisable and profitable to establish overseas organizations in 23 foreign countries, among them, England, Denmark, Sweden, Belgium, Germany, France, Spain, Egypt, Argentina, Brazil, South Africa, Australia, New Zealand, Japan and Java.

Selling overseas is not a duplicate of selling at home. It must be remembered that markets overseas are limited because there the motor car has not yet been generally accepted as an essential utility. Tariff and cost of shipping and handling add, on the average 33 per cent to the retail delivered price of the car. A Buick owner overseas is in the price class of a Cadillac owner in this country.

Then, too, taxes are high and the cost of gasoline, oil, tires and other items make the operation of a car more expensive in a foreign country.

In January, 1924, we established an

assembly plant at Copenhagen, Denmark. This was the first General Motors overseas assembly plant—the germ of the idea that has revolutionized our export business.

In the case of the assembly plant the parts are shipped in bulk from factories in the United States and Canada. In the warehouse operation the completed car is knocked down at the factory, crated and exported. The warehouse overseas receives, uncrates, reassembles and delivers.

No two operations are exactly alike. In some countries complete bodies are made and a large volume of materials are purchased in those countries. In other countries these materials are not available and must be exported.

### Native Workers Are Used

**W**HEN a new assembly operation is established it is essential that the key men be our own trained men, but the personnel of the executive staff is made up, as far as possible, of the citizens of many overseas countries—men who have records of achievements in other lines of industry. Local workmen are used in the actual construction of the cars as fast as this labor can be obtained and trained.

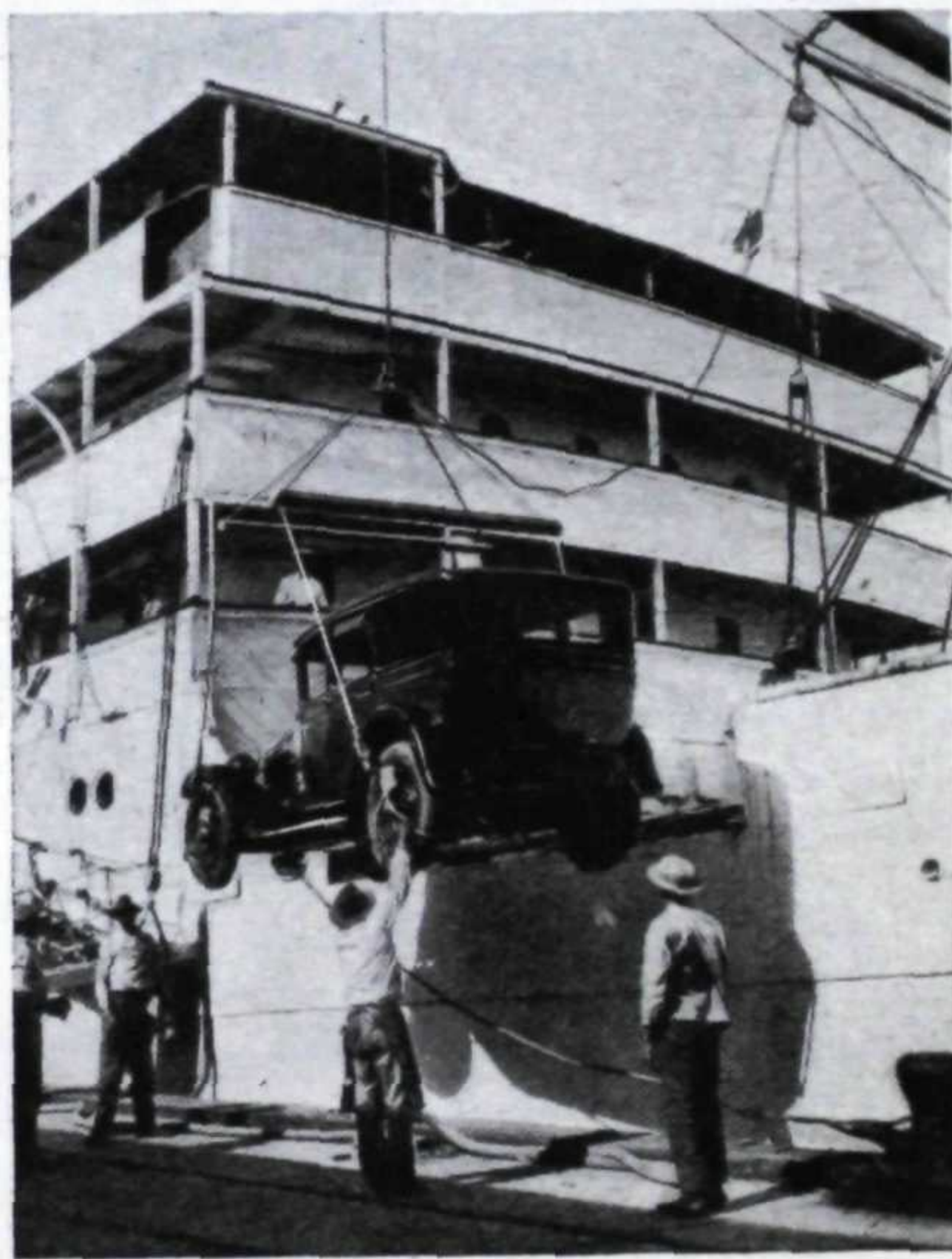
Everything possible is done to promote good will and to gain the confidence and friendship not only of buyers of cars but of the peoples among whom we are doing business. Tact and diplomacy count heavily. General Motors is not merely selling its cars in the overseas markets but is in business in overseas countries, contributing in no small way to the prosperity of many nations; definitely interested in enhancing their prosperity.

The supplies and materials we buy in any country to use in assembling

and completing cars augments the business of many other industries.

Employment is given to many people and buying power is increased. The prosperity of this American concern is therefore interwoven deliberately with the commerce and trade of many peoples.

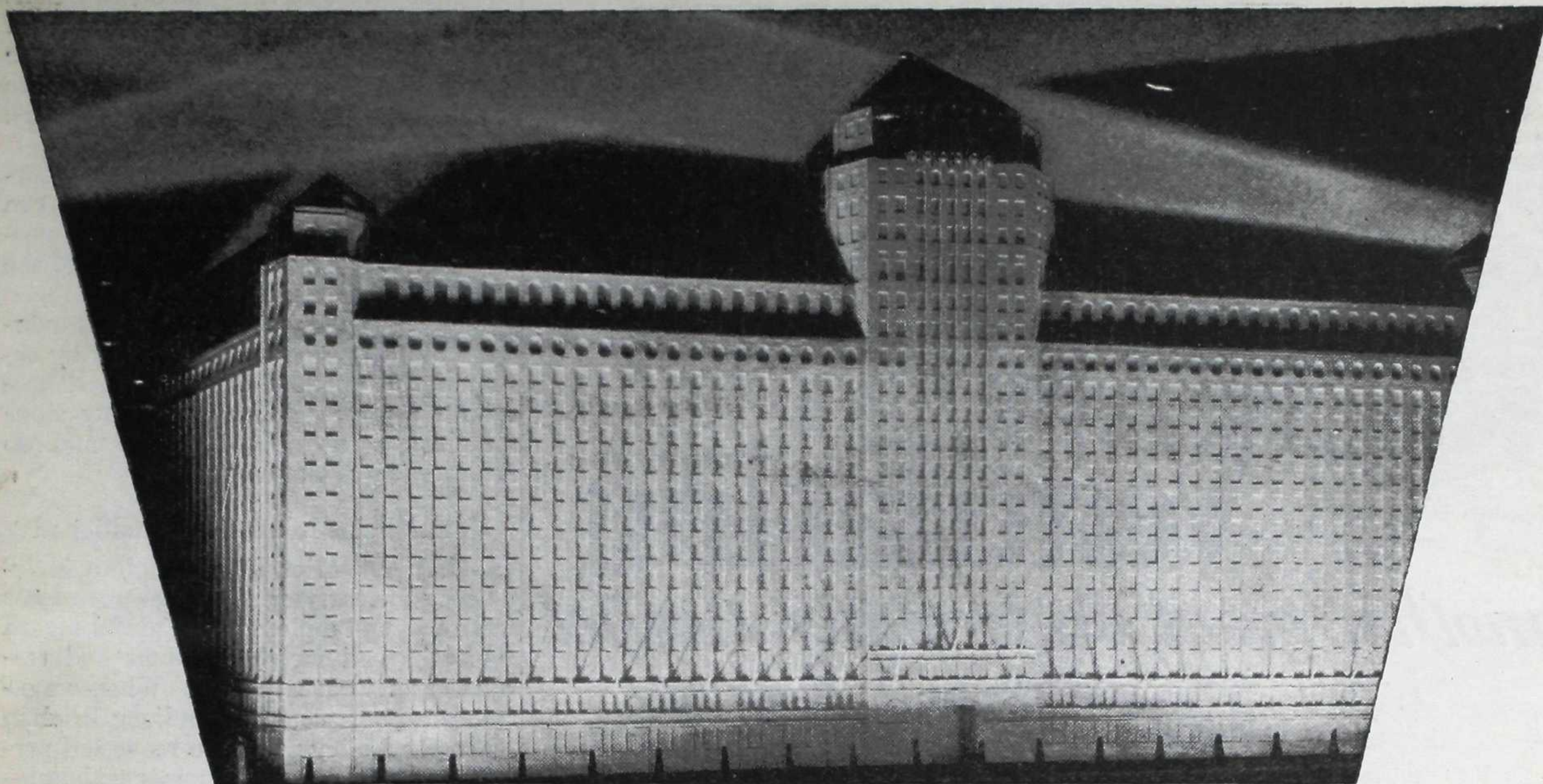
Overseas the desire for closed cars exists just as in this country, but comparatively few closed cars have been sold because the overseas prices were so much higher than prices of open cars. This was due principally to high cost of ocean



EWING-GALLOWAY, N. Y.

Another "ambassador of good will" embarks, this one going to Argentina





## LESS TIME BUYING—MORE TIME SELLING

is an imperative need in the merchandising of today, because a profitable rate of retail turnover demands an ever-increasing sales resourcefulness and sales pressure. The Merchandise Mart, the world's newest contribution to a great economic trend, will mean definite savings for both producer and distributor; better-sustained sales quotas for the retailer. Q Right now, forward looking manufacturers, wholesalers and importers are reserving space in the new Merchandise Mart—the largest building in the world—now under construction in the heart of the new downtown river district of Chicago and planned for occupancy in Spring, 1930. This Colossus of Marketplaces, logically situated at the travel and traffic crossroads of the nation—near the U. S. Center of Manufactures, Population

*If you would be among the discriminating tenantry of the Merchandise Mart, write for floor plans and blue-prints — estimate now the space you need for a permanent display, offices, reserve stocks and sales quarters.*

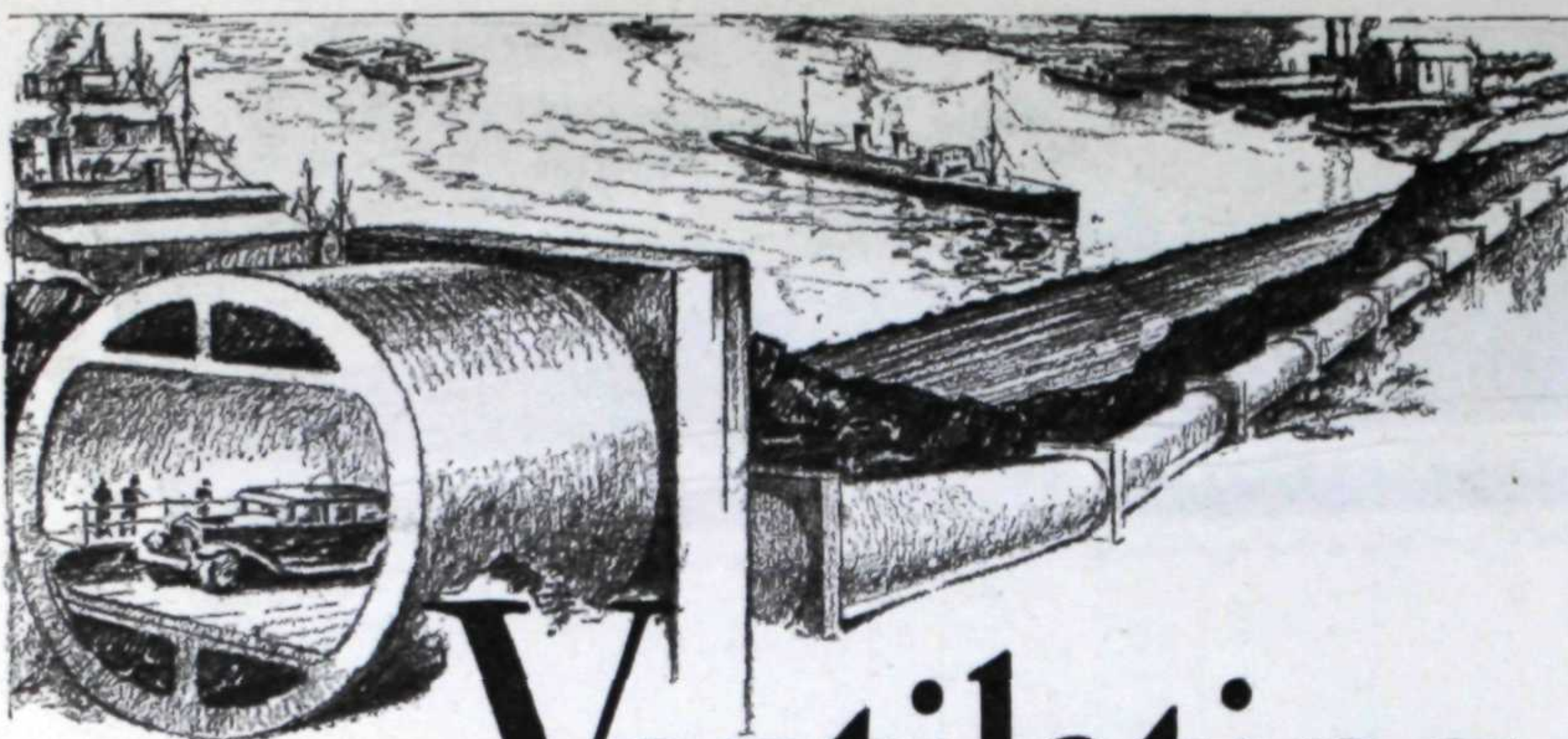
and Commerce—will inevitably tend to lower selling costs for producer and distributor. This great "Department Store for Stores" will bring the primary market 26 hours closer to the average merchant buyer. It will offer him quicker access to authoritative market information; convenience for emergency buying; opportunity for greater flexibility, timeliness and profit in his merchandising.

# THE MERCHANDISE MART CHICAGO

OFFICES—215 WEST WACKER DRIVE, CHICAGO

*When writing to THE MERCHANDISE MART please mention Nation's Business*





# Ventilating

## another great underwater tunnel

... the George A. Posey Tube  
linking Oakland and Alameda, Calif.

ONLY a short time ago the Holland Vehicular Tunnels joining New York and New Jersey were opened to traffic. Now, another great tunnel has been completed—the most spacious tube of its kind in the world. This subaqueous route between Oakland and Alameda, California, accommodates more than 12,000 motor-cars daily and provides for a double line of street-cars.

To expel the poisonous gas, smoke and fumes discharged by these 12,000 automobiles and to flood the tunnel at all times with pure, out-door air, the engineers selected the same type of Sturtevant Silentvane Fans which have so strikingly demonstrated their dependability and efficiency in the Holland Tunnels. These giant fans insure unfailing and economical handling of 80 tons of air per minute.

Engineers of George A. Posey Tube—*Chief Engineer: George A. Posey, Consulting Engrs.: W. H. Burr, Ole Singstad, Charles Derleth, Jr. Ventilating Engineer: Merton C. Collins*

**B. F. STURTEVANT COMPANY**  
HYDE PARK, BOSTON, MASS.

Plants at: Berkeley, Cal. Camden, N. J. Framingham, Mass.  
Galt, Ontario Hyde Park, Mass. Sturtevant, Wisc.  
Offices in Principal Cities

# Sturtevant

HEATING, VENTILATING, AND  
POWER PLANT EQUIPMENT

### A Tunnel Built in Dry Dock

Twelve separate precast sections of reinforced concrete, weighing 4,500 tons each, were built in an open air dry-dock, towed ten miles down San Francisco Bay, and lowered to a trench in the bed of the estuary. There, 42 feet below the surface, the mammoth cylinders were joined in a continuous, water-tight line.

When writing to B. F. STURTEVANT COMPANY please mention Nation's Business

freight on a closed car—the ocean freight being based upon the cubical content of the crate. We are now exporting the parts with which closed car bodies are being assembled abroad in large volume and there painted and upholstered.

This change is one of the most important developments that has yet taken place in exports and has been made possible entirely by the establishment of the overseas assembly organizations.

About 85 per cent of the world's overseas market is now being served by assembly plants and warehouses. These plants represent for our company alone an investment of \$55,000,000 and do business in 104 countries.

### Traditions Must Be Considered

I HAVE mentioned the absolute necessity for carrying on business overseas with tact and diplomacy. Careful regard must be had for the customs and traditions of various people. When we established our plant at Tandjong Priok in Java the Malay workmen requested permission to insure the premises against intrusion of devils and evil spirits. We gave them permission to employ their rites. So they held a "salamatan" or festival before the first car was started down the line.

It would have been stupid and bad business to have forbidden them to do what they desired to do. From early morning there was singing and dancing, and then the severed head of a water buffalo, horns gilded, was placed in a decorated car on which had been inscribed in Malay characters: "Send Honor with Peace to General Motors at Tandjong Priok."

In Japan there is a shrine which stands in the grounds of our Japanese overseas plant. It is carefully preserved by the company and this fact is well known among the Japanese people. On a day in September every year a special religious festival and ceremony is held at this shrine. These things may seem unimportant in the Western world, but they are very important in the East. It is a part of our policy to fit our activities into the life of the countries wherein we operate. It is human courtesy. It is diplomacy. It is also mighty sound business.

I have written that our key men must be home-trained men, although the great body of our 17,000 employees in 104 foreign countries are natives. What kind of Americans do we pick for the big jobs? The answer is, first-class Americans. We need the first-class Yankee with sand in his craw. The man who runs the production end of our business in Java was one of the first of the capable, adventurous flying men to carry the United States mails by night between New York and Cleveland.

Another highly regarded executive of the real American breed is a graduate of the United States Naval Academy and skippered a submarine during the war. He directs the operation of our business in an important part of Europe. Another was a big league baseball player who



fought in the Great War and then came to us for a job. He is managing director of our plant in Japan.

They are all men who have demonstrated their ability to exercise authority under fire. They are the type of men who have made it possible to project American mass production past the barriers of alien frontiers. They must be men of special quality—quick, game, intelligent, loyal.

They are well paid—better paid than if they were doing their work in the United States. We feel that they deserve compensation commensurate to what they could earn if they were in business for themselves. Moreover, by giving them high pay we overcome their temptation to come back to the United States after a year, or maybe two years. That is always a strong temptation. Therefore there must be a strong counter-resistant.

They work under difficult conditions, unfamiliar customs, laws and commercial practices. It is all the more trying if they are men of family. Large export companies have learned the lesson that a large part of their difficulties have grown out of the unhappiness of the families of their overseas representatives, and they know now that it is good business to do everything possible to make these representatives and their families contented with exile.

Our foreign salesmen go up against bizarre situations and become involved in queer problems. One of our field representatives was traveling in Uganda and was invited to play a round of golf in the town of Jinja. As he was teeing up at No. 1 he saw, a good drive distant, a bulky black object partly concealed in shrubbery. It seemed to be moving. He rubbed his eyes and looked again.

"What on earth is that hazard?" he asked his host.

"Oh, just a hippo," said the host, calmly. "Smack out your drive and we'll chase him off the course."

#### Primitive Advertising Works

AT DELHI, in India, one of our distributors cast about for an effective way of describing the qualities of our cars. Finally he hired two black-bearded Sikhs, equipped them with tom-toms and sent them through the villages of the district. When they had drummed a crowd together a talk was made on the enduring qualities, riding comforts and economy of operations of the cars. Names of prospects were obtained and cars actually sold.

Overseas salesmen encounter odd types of sales resistance. In Spain, when owners of horse-drawn trucks are urged to buy motor trucks they have often replied they would not be able to enjoy a siesta if they were driving a motor vehicle. Upon the seat of their carts they can relax after a good lunch and a bottle of wine and take a comfortable snooze, knowing that the horses will plod along quite safely.

In Japan no young man would dream

**If the Gift is not appreciated  
giving is waste**

"The memory of quality remains long after price has been forgotten."

If this is true, a Schick for Christmas is worth more than money. If you give Schicks for Christmas to business associates, customers, friends, relatives or employees, you insure grateful remembrance every morning for a whole year or longer.

"A smooth shave quick with a Schick" is something not to be duplicated. No other razor works like a Schick. No other blade shaves as does the Schick blade.

Order at any good store—Men's Wear, Druggist, or Sporting Goods. Allow time for shipment to be made from the factory if the dealer has not sufficient stock. Magazine Repeating Razor Co., 285 Madison Ave., New York. Prices in Canada slightly higher. Canadian Distributors: T. S. Simms & Co., Saint John, N. B.




**\$7.50  
GOLD MODEL**

**\$5.00  
SILVER MODEL**

A smooth shave, quick  
**Schick** *with a* **Repeating Razor**





# FREE

**This Coupon Brings the Book**

**Get this 140-page Book of life-size ruled forms, completely filled in. Answers problems of accounting and "keeping track" of any business or professional activity.**

Send for this **FREE** book today

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Send Me **140 pages. Illustrating time-saving uses of Moore's Loose-leaf Binders and Forms in any business.**

**Your FREE Book** Dozens of stock forms, all filled in to show their uses—Ledgers, Journals, Perpetual Inventory, Collections and Sales, Followups—practically every form of record.

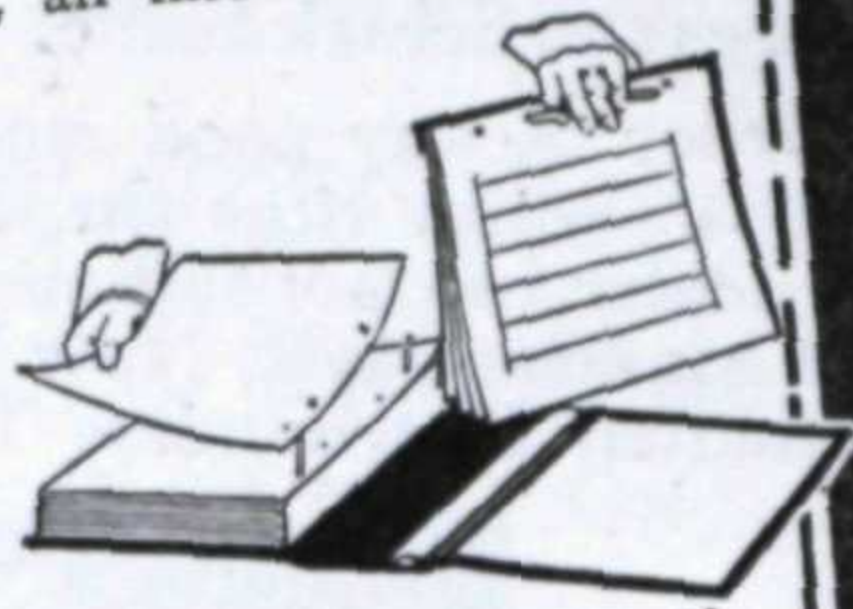
Moore's Binders are simplest to operate, convenient, compact, most reasonable in price.

Just fill in and mail this Coupon for a **FREE** copy of this helpful book.

Name .....

Business .....

Address .....



Illustrating handy operation of Moore's regular 4-post Binders. The new Moore's **VISIBLE** is just as simple and does the work of a whole roomful of expensive steel or wood furniture

## MOORE'S LOOSE LEAF SYSTEMS

In Use In More Than 300,000 Offices

of buying an automobile if his father, grandfather or uncle does not own one. For a young man to sport a car when his elder relations are without one would be a form of grave disrespect. The salesman's task, therefore, is to sell first to the elders and then go after the youngsters.

There are many odd quirks to the selling game in Japan. A well informed automobile concern would not think of trying to sell a red car in that country. Red is banned in Nippon because it is the color of the detested Russian Bolsheviks. Maroon is the official color of the Imperial House of Japan and cannot be used by other persons. Yellow is the mourning color and therefore not an appropriate color for automobiles of pleasure or business.

Throughout the world there are regions where export trade remains to be developed. This is particularly true of South America, Asia and Africa. Most of the railways of the world are to be found in the United States and Europe.

Horses and mules are still important means of transportation in many countries. Dog and reindeer sledges are used in a vast territory in the north. Camels and horses carry the travelers of the deserts of the south. Peru depends upon the llama, Tibet upon the yak.

### American Cars in Strange Places

**B**UT today the American automobile is finding its way into the far corners of the earth. There are more than 700 cars in daily use in the Fiji Islands, and the jungles of Papua boast 135. In the Society Islands there are 365 cars, while the Samoan group has 260 and little Guam, under the American flag, 269. There are 165 in Afghanistan and 355 in Iceland. Persia has the rather astonishing number of 4,500 and Morocco 10,000.

China, with the largest population in the world, has 18,900, most of these owned by foreign residents. China must inevitably be one of the great fields for future export trade in our American motor cars. All Russia has but 21,000 cars, one to every 7,000 inhabitants.

In South America, Argentina holds the record with 222,000, while Paraguay has the smallest number, 711. Bolivia has more than 2,000, Ecuador about 1,100 and the other states between 5,000 and 20,000 with the exception of Brazil, which has 81,100.

We have reason to believe that the flow of capital and personnel to foreign lands and the building of this great American industrial and commercial empire overseas will continue.

Where our business men have entered the lives of other countries we have brought an influence for good and an appreciation of economic opportunities.

Our major interest has not been to exploit, it has been to develop. Sanitation, educational facilities, good roads, advancement in medicine and hygiene, and of institutions for the needy—these are typical of what follow American business and the American business man.

## NEO-LEUM

**FLEXIBLE-STAINLESS-REVERSIBLE  
NON-GLARING - NON-BREAKABLE  
DESK TOPS**

Preserve your new desk tops—renew the old ones with these distinctive Neo-Leum Tops. Cut to fit, they are simply laid on. They enhance the appearance of any desk and office; make writing easier; and are restful to the eyes. Return many times their original cost through elimination of depreciation. Neo-Leum on duty in thousands of offices relieving eye strain, furthering efficiency and comfort, and protecting equipment. Wire today for complete facts and attractive prices.

Neo-Leum Tops are widely imitated but never duplicated!



**MAIL THE COUPON**

**Wagemaker Company**  
GRAND RAPIDS, MICHIGAN

Dept. D

**Wagemaker Company, Grand Rapids, Mich.**

Gentlemen: Without obligation on my part kindly furnish Full Facts and attractive prices on Neo-Leum Tops.

Name .....

Address .....


Attach to letterhead and mail Today!

## Pathfinder


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EVERY WEEK 13 WEEKS  
\$1 A YEAR 15 CENTS

Your neighbors know the Pathfinder and you will like it—the every week news digest from the Nation's Center. Bright, interesting, dependable, different—nothing else like it. Washington gossip, politics, science, travel, fun, lots of pictures, instruction, entertainment. Trial 13 weeks—13 big issues—only 15c or \$1 for full year—52 issues. Send now. Address: Pathfinder, Dept. 61, Washington, D. C.

### "Fresh Air... Everywhere"



**No Ventilation**  
—means overheated offices, with dull, sluggish minds and unhealthy workers.



**Over Ventilation**  
—means direct exposure, colds, draughts, dirt and confusion.

## V-W VENTILATORS

—insure a fresh, clean flow of air at all times, without draughts, dirt, rain and snow, due to patented R-shaped vertical louvers.

Write for "The Opening to Better Health"

**The V-W Ventilator Co.**  
2889 A. I. U. Bldg. Columbus, Ohio



## ON THE BUSINESS BOOK SHELF

**T**HAT narrow profit margins in competitive industry and trade have come to stay is the conclusion of the National Industrial Conference Board,<sup>1</sup> based on an analysis of profit ratios to sales and capital investment of more than 4,000 large and successful corporations over a period of post-war years, 1918-25.

The results of the study go to emphasize not only the hazard incurred today by all competitive business, large and small, because of narrow profit margins, but also the profitableness of efficient large-scale production. Sales at prices closely approximating cost of production are the principal factors in establishing commodity prices, the merchants are forced to seek profit by volume rather than by large profits on individual sales.

Approximately half the annual sales of the corporations under consideration were made at less than 5 per cent profit in most of the manufacturing industries.

In trade, the wholesale trade particularly, more than half of the sales brought a profit of less than 5 per cent or even a loss.

This condition, however, does not ordinarily result in a low return on capital invested, but rather tends to accelerate turnover of capital and thus may result in high returns even though half the output is disposed of at prices very close to production costs and a portion perhaps at a loss. Corporations operating at the lowest ratio of profits on sales were found to have the highest turnover of capital and often enjoying the highest return on capital.

Although the more than 4,000 selected corporations, whose transactions were specifically studied by the Conference Board, include almost all of the large successful corporations in the country, every year during the period considered the total operations of some of them resulted in a loss. On an average corporations operating at a loss handled about 5 per cent of the total sales of all the selected corporations under scrutiny.

**TRADE** associations run up against legal snags in many directions.<sup>2</sup> It is only in recent years that these obstacles have begun to be clarified. Now, we believe, because of the friendly attitude of the Department of Justice in recent years and because of the court cases that have set clear the position of the actions and functions of associations, a book such as

<sup>1</sup> *The Shifting and Effects of the Federal Corporation Income Tax, Volume I, Manufacturing and Mercantile Corporations.* National Industrial Conference Boards, Inc., New York, 1928. \$4.

<sup>2</sup> *Trade Associations: The Legal Aspects,* by Benjamin S. Kirsch. Central Book Company, New York, 1928.



# Manufacturers: Distribute to Western America from its business capital and coast-central port-city — San Francisco

**A**N immediate market of 1,606,000 consumers—the Coast's largest concentration of people—is within an hour of San Francisco. Within 150 miles of San Francisco are half the people of California, with astonishing buying power.

Ten million consumers dwell between the Rocky Mountains and the Pacific Ocean, and look to San Francisco for countless commodities. Many of these commodities are now made here. Many more can be made here. These millions of consumers, who enjoy a very high per capita prosperity, can be served from the San Francisco Bay region at less transportation cost than from any other point on the Pacific Coast, in the Middle West, or on the Atlantic.

The great Pacific basin, concededly the next great theatre of commercial expansion, is pre-eminently San Francisco's trade domain. San Francisco's harbor is America's second port in value of water-borne tonnage.

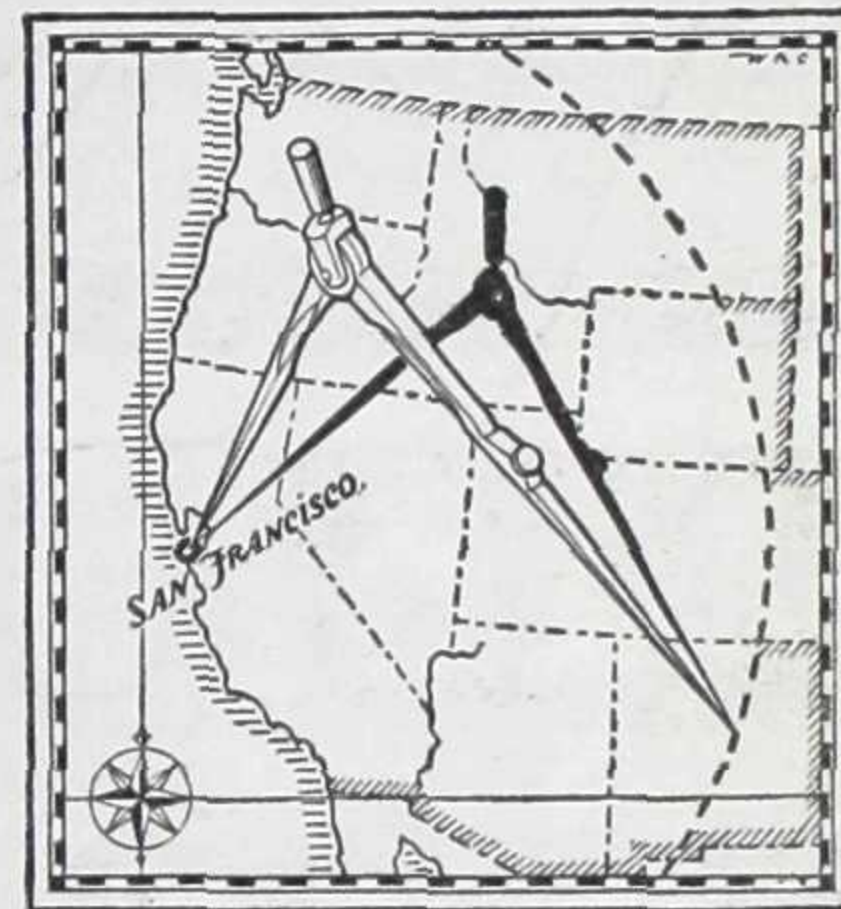
Because of its convenient markets, coast-central position and manufacturing advantages, the San Francisco Bay dis-

trict leads other Coast districts by more than \$250,000,000 a year in value of manufactures.

Labor in San Francisco is in harmony with its job. Industrial land is still cheap and abundant within the metropolitan switching area. Taxes are low. Water and power are cheap. Raw materials are conveniently at hand.

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Pay San Francisco a visit. Enjoy a sojourn in one of the world's most interesting cities—one no less interesting because it may present important Opportunity to you.



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## BUSINESS MEN

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that of Mr. Kirsch is necessary and very helpful.

Mr. Kirsch treats of trade association law, statistics, cost accounting, credit bureau functions, foreign trade functions of associations, collective purchasing, standardization and trade relations. His book shows the limits and boundaries of permissible and prohibited trade association policies and practices. It is carefully annotated with judicial decisions, law review articles, and other documents.

A prominent trade association leader who dropped into our office called this book "one of the best things that has yet been put out on the legal aspects of trade association work."

ONE of the new industries—but one not created by chemistry—is that of fur-farming.<sup>3</sup>

Silver foxes were perhaps the first animals raised for their pelts, because they were so valuable. A good silver fox pelt was worth a good many failures. Now farming in foxes has become a steady business. It is not a get-rich-quick scheme, but a sound and profitable business. In these days of the quality market, fur-farming should soon replace fur-catching in many varieties of pelts.

Many animals beside foxes now are raised for their skins. Rabbits, of which there are many varieties, are among the most common. Raccoons, muskrats, skunks, and several other kinds of animals may be and are profitably raised today for their pelts.

Mr. Ashbrook, chief of the Division of Fur Resources of the U. S. Biological Survey and experienced in other phases of fur raising, is well qualified to write of fur-farming. He has done an excellent work in describing the methods of breeding, raising, and caring for fur-bearing animals.

His book is readable and valuable to anyone who is interested in furs or in animals.

ALMOST every staple commodity has some place which seems to be its world market center.<sup>4</sup> Cotton in New York; wheat, tea, and coal in London; nitrate of soda in Valparaiso; coffee in Sao Paulo. In each of these trade centers a complex machinery has grown up for the handling of the products.

With the increasing improvement of means of communication and transportation, such a thing as a local price for a commodity has almost ceased to exist. As the author says:

"A disastrous wheat crop in the Argentine may stimulate prices over all the rest of the world; while during the next season a bumper crop in Canada may so depress prices as to cause hardship in the producing areas of India and Argentina."

The distinction between domestic trade

<sup>3</sup>Fur-Farming for profit, by Frank G. Ashbrook. The Macmillan Company, New York, 1928. \$4.

<sup>4</sup>International Trade in Staple Commodities, by Edward Ewing Pratt. McGraw-Hill Book Company, Inc., New York, 1928. \$5.



and international trade tends to break down in staple commodities more than in manufactured articles.

The author concludes that the reason America lost its commanding position in the trade of staple commodities, which it held temporarily during the war, was that the trade machinery in the United States was insufficient, in smoothness at least, to compete seriously with the old established markets. A second reason was the failure of American bankers to provide proper and economical financing for international trade; their "cowardly retreat during the crisis of 1920 and 1921," especially helped to return the markets to the countries that held them before the war.—W. L. H.

**A** NEW book on "Principles of Transportation," by Professor Johnson and two of his associates has this distinctive characteristic—it brings within one volume for the first time an account of the services of carriers by rail, by water, by highway and by air. The authors say in their introduction:

The day is coming when each home, whether it be in the city or in the country, will be connected by organized transportation directly with other homes in all parts of the land, each farm and factory with other farms and factories. Society will be made a unit by a universal transportation system.

This will come about by the development now in progress of all agencies of carriage, carriers by rail, highway, air and water, and their systematic coordination into a unified system of transportation.

This book is intended for the non-technical reader, and should be of great assistance to business men in obtaining a clear picture of the business of transportation, as distinct from the mechanism by which the service is performed.

**Principles of Transportation**, by Emory R. Johnson, Grover G. Huebner and G. Lloyd Wilson. D. Appleton and Company, New York, 1928. \$5.

#### RECENT BOOKS RECEIVED

**Laws of Management Applied to Manufacturing**, by L. P. Alford. The Ronald Press Company, New York, 1928. \$4.00.

**Heading for War: What You Ought to Know and Fear**, by W. H. Edwards. Payson & Clarke, Ltd., New York, 1928. \$1.50.

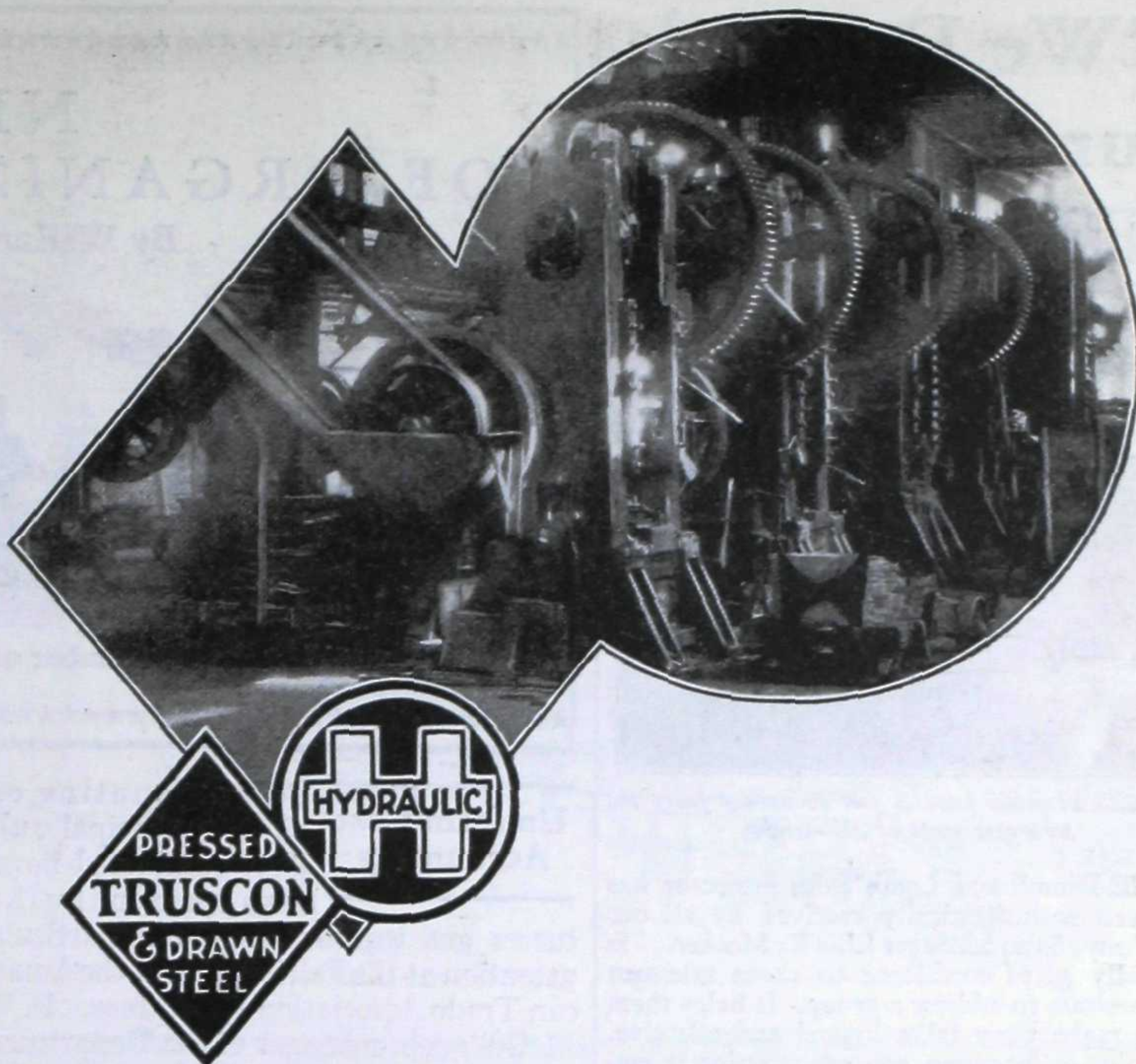
**Ratio Analysis of Financial Statements**, by Alexander Wall and Raymond W. Dunning. Harper & Brothers, Publishers, New York, 1928.

**Manual of Accounting, Reporting, and Business Procedure for the Territorial Government of Hawaii**, by Henry P. Seidemann. The Johns Hopkins Press, Baltimore, Md., 1928. \$5.

**Industrial Organization and Management**, by William B. Cornell. The Ronald Press Company, New York, 1928. \$5.

**The Consumer Looks at Advertising**, by Paul T. Cherington. Harper & Brothers, Publishers, New York, 1928. \$2.50.

**Marketing and Advertising; An Economic Appraisal**, by Floyd L. Vaughan. Princeton University Press, Princeton, N. J., 1928. \$2.50.



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"THE Bausch and Lomb Sales Projector has been enthusiastically received by all our men," says Sales Manager Ellis R. Meaker. "It especially gives confidence to those salesmen who hesitate to address a group. It helps them all to make their talks logical and effective. No point is forgotten and every point is emphasized visually."

"The Bausch and Lomb Projector is especially valuable in selling our distributors' sales organizations on the volume possibilities of our product."

The salesman carries this convenient little 5½ pound box, simply plugs in at a convenient socket—with one man or a score he is assured of a favorable "hearing."

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Strip films for the sales projector are light, compact, and readily prepared. It is not a "movie." If you wish, film specialists will prepare your illustrations, write your scenario and make the complete film. A new story can be produced whenever needed, at nominal cost.



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## NEWS OF ORGANIZED BUSINESS

By Willard L. Hammer



Honolulu Chamber of Commerce, founded 1850

### Uniform Cost Accounting

Cost accounting, one of the principal subjects considered nowadays when manufacturers get together, received particular attention at the Fall meeting of the American Trade Association Executives. E. W. McCullough, manager of the Department of Manufacture of the National Chamber of Commerce, in opening the conference said:

I am conscious of the fact that we are to consider a subject somewhat old and shop-worn. It has been presented before trade associations many times, yet it deals with a fundamental in business and never will be retired from the daily business program.

It was entered on the program of most trade associations almost at their organization and yet we must confess that, in most cases up until our economic evolution set in between seven and eight years ago, it had been handled with indifference.

Now, however, its fundamental character has been recognized and the most progressive lines regard it as vital. Indeed, it has become recognized as the most potent factor in the promotion of more enlightened competition.

The Department of Manufacture of the National Chamber has been watching the work of trade associations in the field of uniform cost accounting and has assisted a considerable number to organize their activities. Several noteworthy accomplishments have been made recently in industries not previously active in the matter.

The recently organized Wool Institute, for example, has just completed the development of a cost manual for that industry. A few weeks earlier the Cotton Textile Institute released to its members a very illuminating document on the subject.

Industries generally are taking cost accounting more seriously than ever before as a measuring stick of profits and efficiency.

### Cooperative Advertising

THE National Lumber Manufacturers' Association now has its large cooperative advertising campaign well under way. The theory under which the campaign is run-

ning is to sell the services of the Association and thus indirectly to sell lumber. The Association is not, of course, in the lumber trade itself. All the inquiries regarding lumber are distributed to the local lumber dealers.

The National Tent and Awning Manufacturers' Association is also planning a campaign to increase sales. It believes that this can be done because the introduction of new colors into exterior decoration has greatly stimulated the replacements of old awnings and also has increased the use of awnings for private dwelling.

Both associations, we believe, will profit greatly by the cooperation.

### Youth Goes Sight seeing

PERHAPS the best plan we have had brought to our attention to sell a state to the young people of that state is that put to use a short while ago by the *Detroit Times* and the Michigan Commercial Secretaries Association.

A group of young men and women, selected from among the writers of competitive essays on the resources of Michigan, were given a tour through the state. They visited in turn the automobile centers at Detroit and Flint, the salt and other centers at Saginaw, and the state capitol at Lansing.

They saw the copper and iron mines in northern Michigan, the locks at the Soo, the Grand Rapids furniture center, the fruit belt of western Michigan, the celery and paper center at Kalamazoo, the prepared foods factories at Battle Creek, and the state university at Ann Arbor.

At the close of the trip each participant again wrote a story of Michigan as discovered by him on this trip. An excellent way, we think, to sell the state to its coming generation.

### Help for Home-builders

Most home owners have the experience of building a home only once in a lifetime. Therefore they are not as versed in shopping for building materials as they are in other lines of buying. To overcome this difficulty, the Southern Pine Association





# One Policy Whether We Buy or Sell

Domestic Electric's own sources of supply are chosen after the most careful investigation . . . not only of the supplier's *product* but of his organization, and his ability to serve us under any and all conditions.

We believe it is to the advantage of electric appliance manufacturers to make the same kind of investigation in the purchase of motors. More than the product itself . . . more than specifications and a price . . . enters into such a business relationship. The financial position of the motor manufacturer, his organization, equipment and personnel . . . all determine how satisfactory the connection shall be.

We ask no concessions of our own suppliers that we are unwilling to grant to customers. We demand in raw materials only the quality and workmanship that we invariably deliver in finished motors. As a result, we have been able to establish permanent and highly satisfactory relations with our suppliers, which insures favorable prices, high quality of materials, and prompt delivery. These advantages we pass on to our own customers.

The Domestic Electric Company cordially invites anyone interested in the manufacture or sale of household, commercial or industrial appliances powered with fractional horsepower motors to visit the Domestic factory and to inspect our facilities for service.

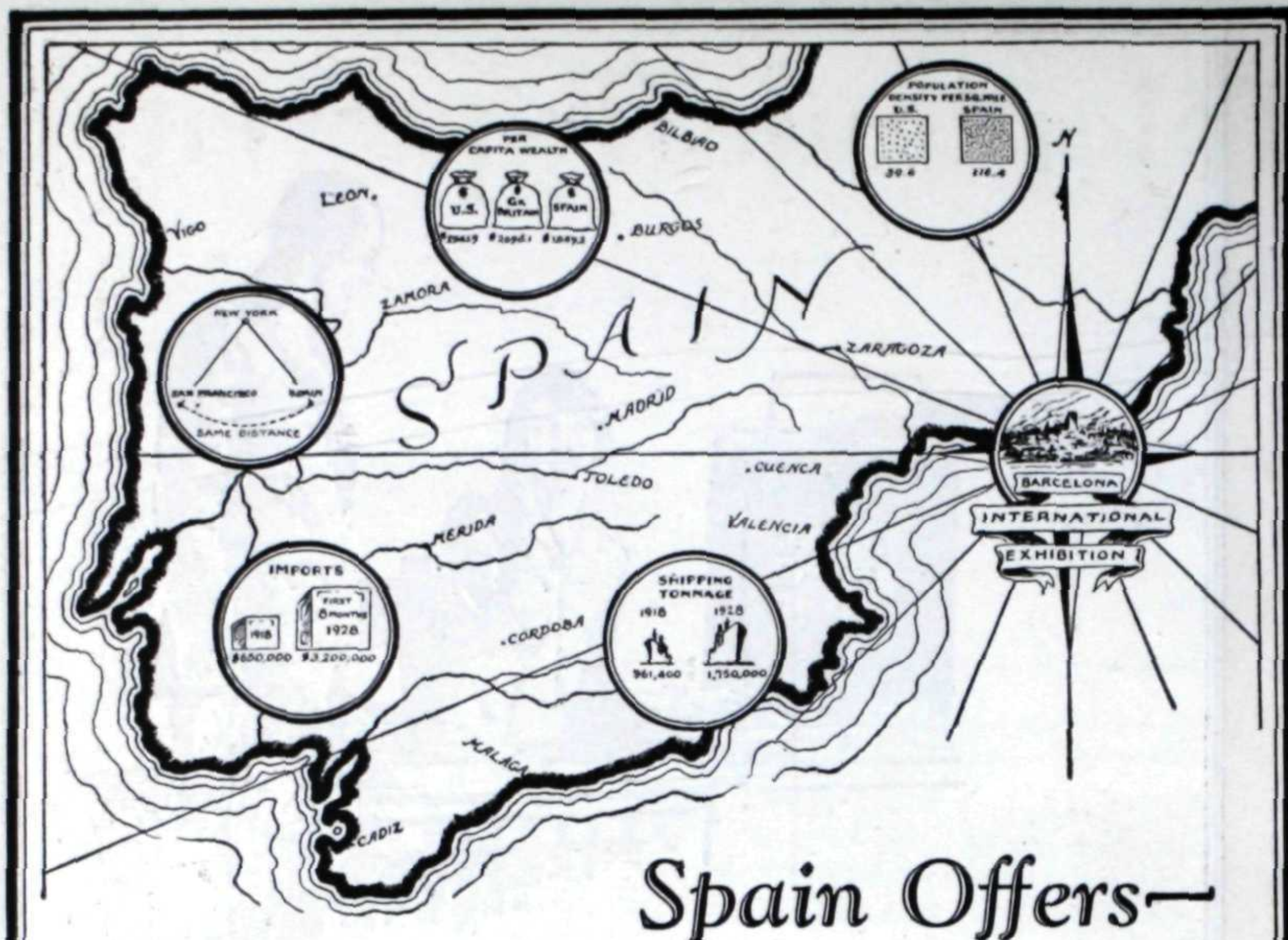
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SMALL MOTOR MANUFACTURE • APPLIANCE ADVISORY ENGINEERING

(112)





## Spain Offers—

- Q] 22,000,000 people able to buy American goods.

The per capita wealth of Spain is \$1,849.20. Spain is third wealthiest of World Powers.

- Q] 22,000,000 able buyers receptive to American products.

Spain's total imports have increased 500% in the last ten years. In 1918 her imports were \$108,500,000.00. In 1928 (based on figures for the first eight months) the conservative estimate is \$530,000,000.00. Of this total \$60,000,000.00 was American goods.

- Q] 22,000,000 able, receptive buyers concentrated in a market the size of the State of California.

In Spain's area of 195,061 square miles there are 22,712,000 people, an average of 116.4 per square mile. More than three times the density of the population of the United States.

- Q] 22,000,000 able, receptive, concentrated buyers close at hand, as near New York as San Francisco.

It is 3,300 miles from New York to Barcelona. It is 3,000 miles from New York to San Francisco.

- Q] 22,000,000 able, receptive, concentrated, close-at-hand buyers, economical to ship to.

It costs less and is faster to ship to Spain via water than to ship via water to California.

- Q] 22,000,000 able, receptive, concentrated, close-at-hand, economical-to-do-business-with buyers, easy to win!

The Barcelona Exposition offers to American Manufacturers their first and best opportunity to win this desirable market. And buyers of thirty-one other countries of the world are being urged to attend through a world-wide advertising campaign.

For vital statistics and information on the market for your product in Spain and world markets apply to M. VENTURA, U. S. Delegate, Exhibition of Barcelona, Steinway Hall, Dept. 102, New York City

Come to BARCELONA in 1929 and see what Spain offers!

## International Exhibition Barcelona

MAY—1929—DECEMBER

has adopted the practice of marking the grade on lumber.

Hal Stonebraker, an architect of Kansas City, considers the adoption of this practice as comparable to "stepping out of the Dark Ages." As he says:

Specifying grade-marked lumber has resulted in securing a more uniform product and a better manufactured product, but above all, it has resulted in a confidence that the lumber is satisfactory, and when one stops to think that much of the effect of expensive interior decorations depends upon the soundness of the framework, this confidence means something.

### Apartment Realtors Meet

THE Cooperative Apartment Division of the National Association of Real Estate

Boards is to hold its principal meeting this year progressively in Washington, Philadelphia, and New York, December 3, 4, 5, and 6. The purpose of the moving meeting is to study better the different types of cooperative apartments in the three cities.

In each of the cities visited the inspection trip will be made under the guidance of men who know every detail concerning the projects to be inspected, cubic content, selling prices, mortgage incumbrances, estimated annual operation budget, amortization plan, and all.

The inspection trips will give members of the Division unlimited opportunity to discuss individual problems with men in other cities who are solving the same problems in this comparatively new field.

The Division has for some time been working on the principles which constitute a soundly organized cooperative apartment project. It is believed that this work will be completed at the session to be held in New York on December 5.

### Estate Taxes Of States

THE overlapping of state inheritance taxes is one of the most undesirable situations in

the whole field of taxes. The United States Chamber is committed by referendum vote of its members to the proposition that "Subject to reciprocity by other states each state which now taxes the transfer of intangible personal property of non-resident decedents should abandon this practice and exempt such property from taxation under its inheritance tax laws."

The Finance Department of the Chamber is at present setting this matter before organization members of states that have not adopted this principle. The members, it believes, can distribute information and do much to bring about complete adoption of the proposal.

From the responses already received, the Finance Department believes that local organizations will soon get their states in line to abandon double taxation.

### Construction in Winter

ONE of the factors making industry seasonal instead of regular throughout the year is

the habit in the building trades of hibernating during the Winter.

There seems no real reason for this



temporary suspension of activity. Modern building equipment is hardly affected by weather. Winter construction can be and is as satisfactory as Summer construction.

Cement work, long a problem in the Winter, can now be placed with complete assurance of satisfaction, no matter what the weather.

This hibernation of the building industry is inexcusable. It checks the production of lumber, cement, iron, steel, and other items. Indirectly it slows up all industry.

The Portland Cement Association is particularly interested in a campaign to increase building during the winter months. It argues that any small additional cost for winter construction is overbalanced by the savings in taxes and time. Labor, too, is helped considerably by having year-round employment. And for the contractor, overhead during the slack winter months is reduced to the minimum.

### Dedicates Laboratory

AMONG the associations recognizing the value of a testing laboratory is the American Gas Association, which recently dedicated its second such laboratory.

In dedicating the laboratory, Oscar H. Fogg, president of the Association said:

The laboratory is in no sense a commercial enterprise. It is the tangible expression of the industry's allegiance to the principle that its greatest progress will be made through providing the best possible service to the American people.

In the two and a half years of the old laboratory's existence, it tested some 11,000 gas appliances and made beneficial suggestions for 98 per cent of these appliances. This is an excellent commentary on the service of the laboratory to trade associations.

The new laboratory of the gas association is said to be the most completely equipped gas appliance and research laboratory anywhere. The building has a few rooms equipped for the personal use of any of the more than 200 manufacturers served by the Association's laboratory.

### Coming Business Conventions

(From information available November 10)

Date	Place	Organization
December 1	Pueblo, Colo.	Rocky Mount Retail Furniture Association.
3-5	Jackson, Miss.	Southeastern Association of Dyers & Cleaners.
Week of 3rd	Chicago	National Association of Amusement Parks.
Week of 3rd	New Orleans	Asphalt Association.
Week of 3rd	New Orleans	Association of Asphalt Paving Technologists.
4-5	Pittsburgh	National Glass Distributors Association.
6	New York	American Acceptance Council.
6-7	New York	Toy Manufacturers of the United States of America.
7	Vancouver, B. C.	Red Cedar Shingle Bureau.
11	New York	Shoe Polish Manufacturers Association of America.
12	New York	Linseed Association.
5-6	Washington	National Rivers and Harbors Congress.
13-14	New York	Association of Life Insurance Presidents.
14	New York	Synthetic Organic Chemical Manufacturers Association.
18-19	Philadelphia	Tri-state Packers Association.

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Detroit Edison Co., Detroit  
Union Trust Co., Pittsburgh  
New York Central Railroad, New York  
Roosevelt Hotel, New York  
Radio Corporation of America, New York  
General Electric Co., New York and Chicago  
American Surety Co., New York  
American Radiator Co., Chicago  
Consumers Co., Chicago  
Brooklyn Union Gas Co., Brooklyn  
Bonbright & Co., New York

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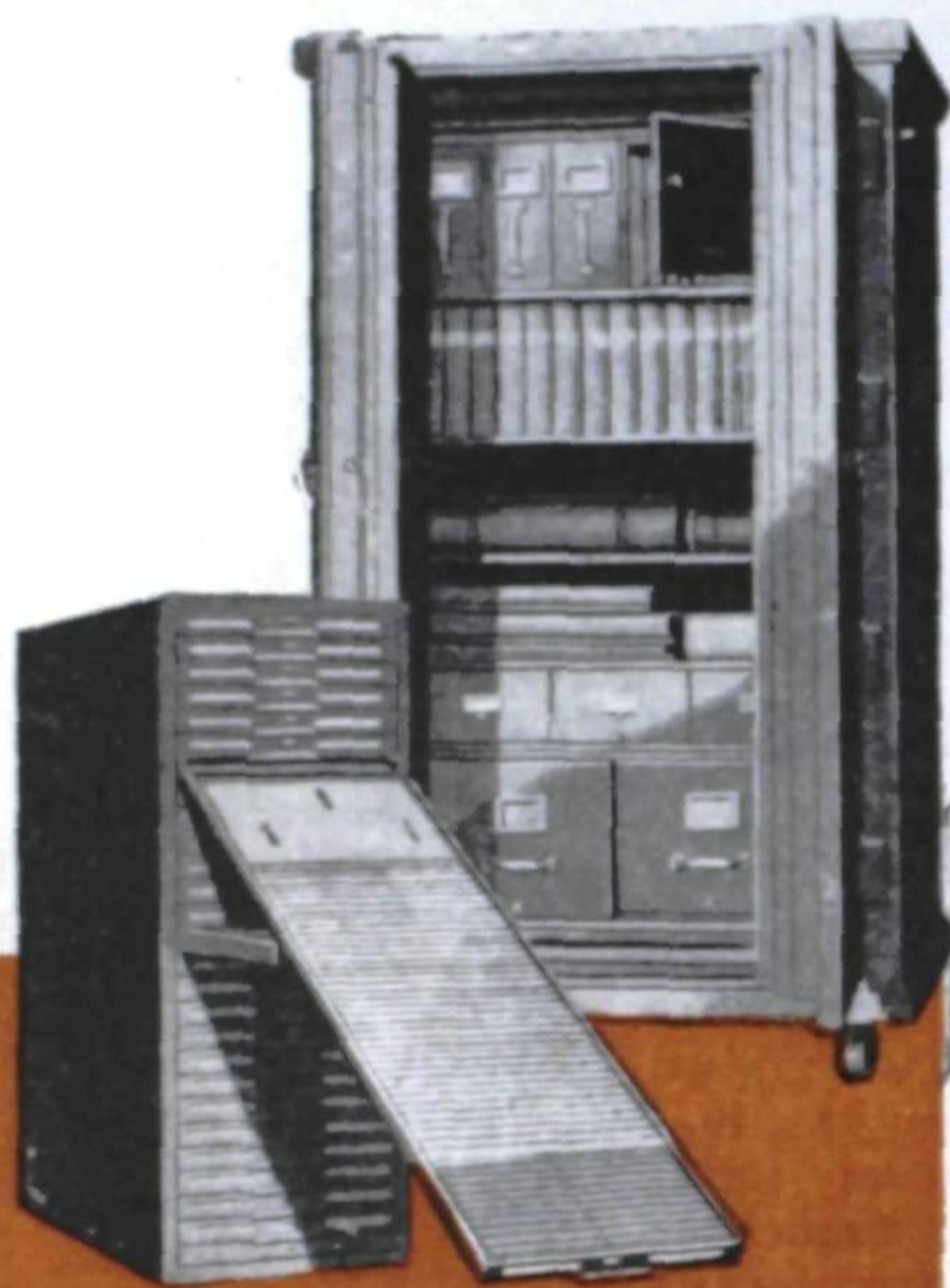
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*in*  
**1929**

Already buyers are examining the lines for Spring 1929. Already manufacturers are preparing the items for Summer 1929. Already consumers are planning the new car—the new house—the new coat of paint and the new set of furniture for 1929. ¶ How will it be with your business then? Your sales objectives—will they be backed up with Kardex equipment which searchlights the name of the active prospect and highlights the weak spots of this year's sales efforts? ¶ Will you be prepared with equipment which all but goes out and gets the money on the exact due date of your installment accounts?

Will you have learned to cut time and overhead with Powers and Dalton and Remington Machines? Will you be prepared to withstand the loss of records by fire through using Safe-Cabinets? Will your purchasing be precisely directed—your stock scientifically kept? ¶ Your bound records and your files—will they become more than just necessary nuisances and take their proper places as sources of success—forces for profitable production? ¶ Next year is already upon us. As far as business is concerned 1929 is here—its problems must be solved—its difficulties must be met with the proper office appliances.



# Remington

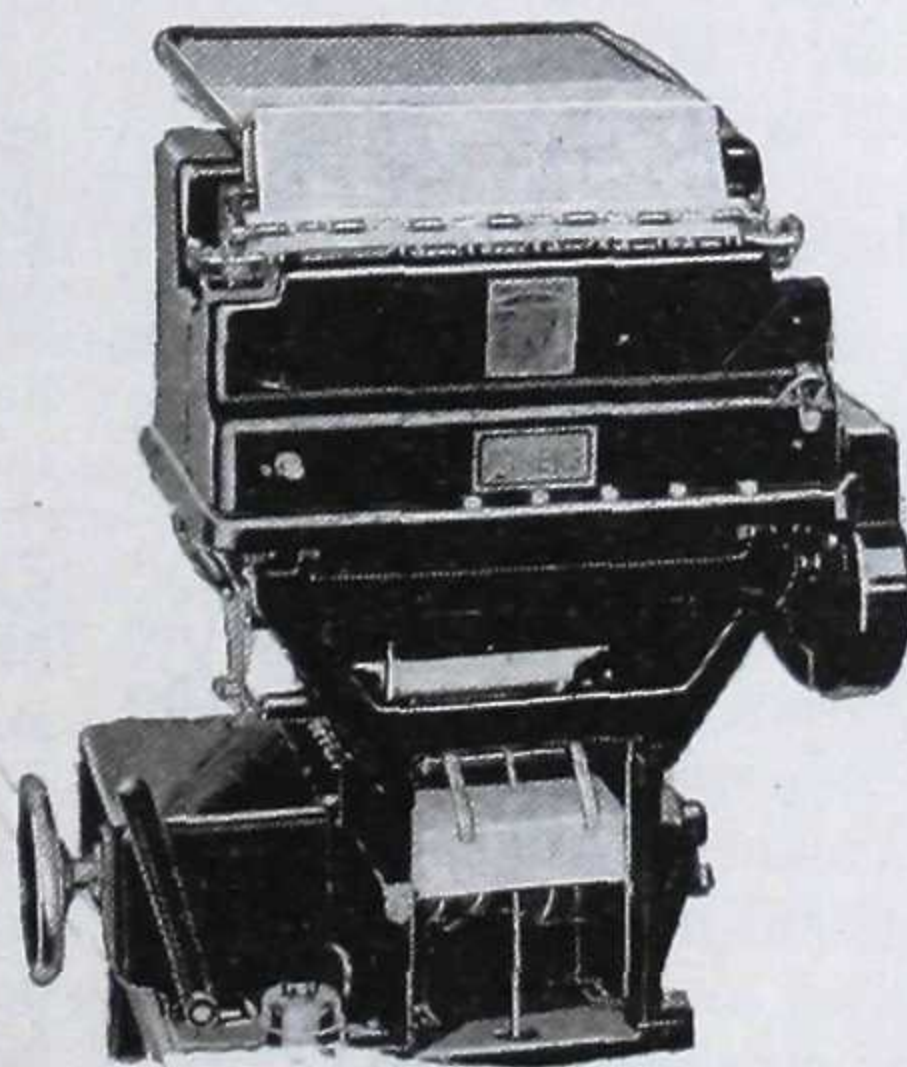
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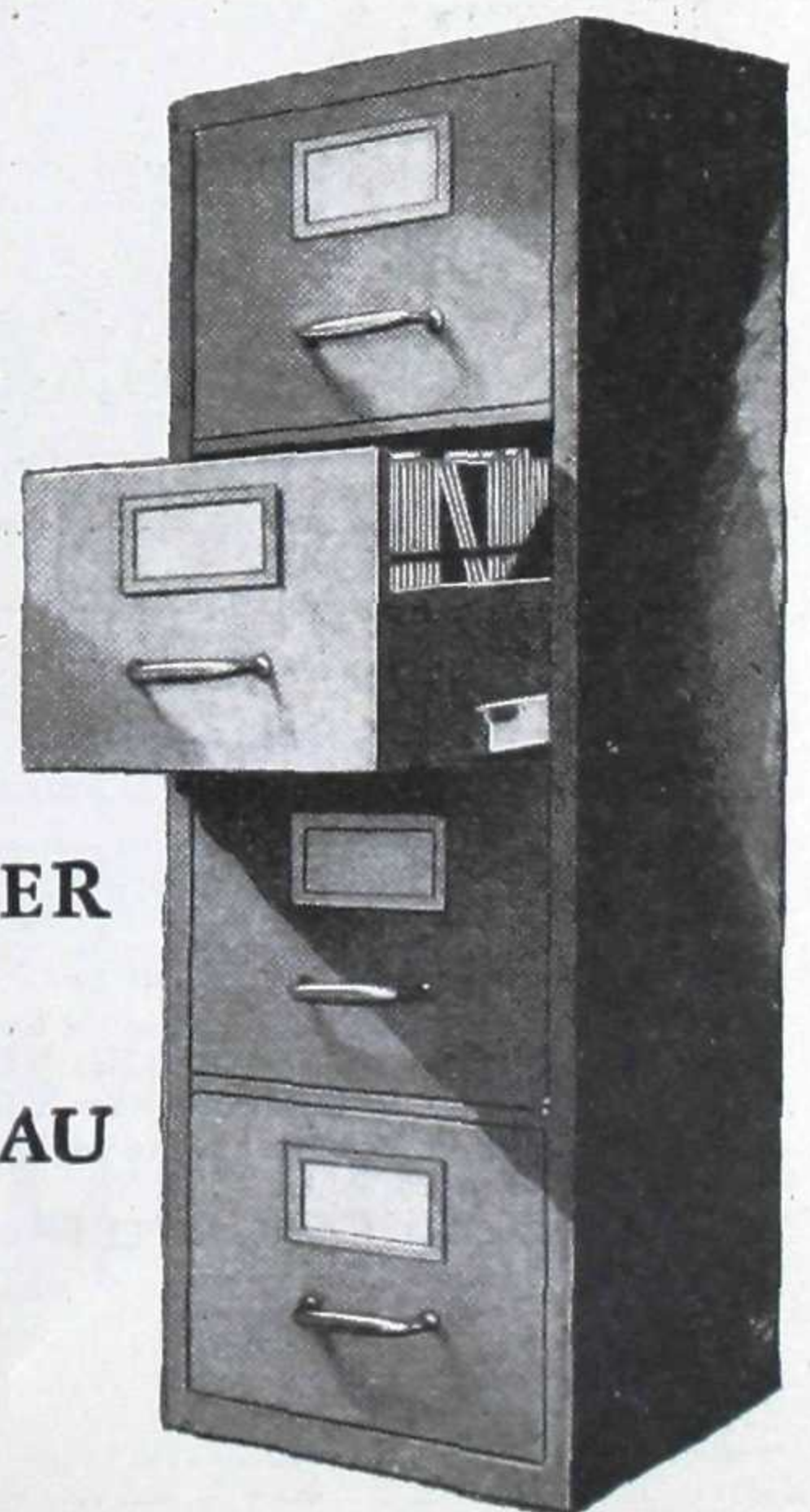




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by FRED W. SHIBLEY

Vice-President, Bankers Trust Co., New York

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Mr. Shibley has been closely associated with organizations, both large and small, which have successfully applied this principle.

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# What Other Editors Think

By Wm. Boyd Craig



James Gordon Bennet of N. Y. Herald sent Henry M. Stanley to Central Africa to find Livingstone

IN THE October issue of *Scribner's*, Samuel O. Dunn, Editor of *Railway Age* contributes a thought-provoking article entitled, "Railroads, Politics and Prosperity." Study of conditions and trends within the railroad industry shows peculiar contrasts, he finds. Some of the points touched on are: high market prices of railway stocks and low returns in earnings; losses to the business through other means of transportation; demands for higher wages and lower rates; and the extent to which politics have been played in government regulation. He finds the roads giving the highest service in their history, and yet they as a whole have never reached the average return (5.75 per cent) to which they are entitled.

Regarding the price of stocks and earnings, he says:

The earnings of the railways for more than a year have been less on their investment than in 1923. The prices on their stocks have been 50 per cent higher. Thus apparently is demonstrated the paradox that railway service, not railway earnings, has had the greater influence in boosting the prices of railways stocks.

## Railroads Cut Inventories

MR. DUNN finds that rail service has aided hand to mouth buying greatly, thus enabling merchants to carry much smaller stocks, because of the assurance of quick delivery. This, he believes, "is the principle source from which has come the superabundance of capital that has poured into the stock market within the last four years, created a bull movement unprecedented in duration, and forced up industrial and railroad stocks to record prices."

With this later thought, *Commercial and Financial Chronicle* disagrees. To quote:

We quite agree with the writer that reduction in capital through "hand-to-mouth" buying, made possible, to a degree, by prompt railway deliveries, has had a decided effect in the direction suggested. But we do not feel that this is more than one "source" from which comes the "superabundance of capital" described, and we are constrained to believe it is not the "principal" one. There has been constant speculation as to where the "money" comes

from to absorb the huge volume of securities that have been poured forth in recent years.

No entirely satisfactory explanation has been vouchsafed. Business is too complicated, production is too interdependent, to admit of a single or even a principal "cause." If we try to trace the effect upon the merchant and manufacturer of a reduction of stock ordinarily carried in the past, several results follow. In the first place, the old practice of laying in heavy stocks required heavy borrowing. In the case of the merchant, he had usually two kinds of loans at the bank, permanent and seasonal. He did business largely on borrowed capital, and does so now. The first effect of minimum stocks with the merchant would be naturally a lessened borrowing at the bank. But so far as this would go he would have no released capital to invest in securities.

## Have Commercial Loans Dropped?

IN the last five years, allowing for growth in business, have commercial loans increased or diminished at the banks, a period characterized by this orgy of speculation? It is a custom, perhaps, more than ever before for big merchants to carry a "surplus" in ripe stocks and bonds but these would necessarily appear and disappear in the market as the business demanded a temporary call on this surplus.

Absorption here, though existent, would not be permanent unless mercantile profits have been advancing all the while upon increasing volume of turnover. But can this be true? Lessened stocks must tend to lessened sales, other things being equal. Momentum cannot always offset volume, and if the merchant as a merchant is a natural buyer of stocks and bonds, is he not prone to enlarge his business?

For some reason, for any reason that may develop, high money rates or what not, if inflation shall diminish fast or slow, this perennial market will cease. Deposits will fall. Banks can no longer furnish a resting place under diminished deposits. And traders must cease from troubling. And then—there will be a new tale to tell! Now a national income of ninety billions of dollars is at most only an estimate.

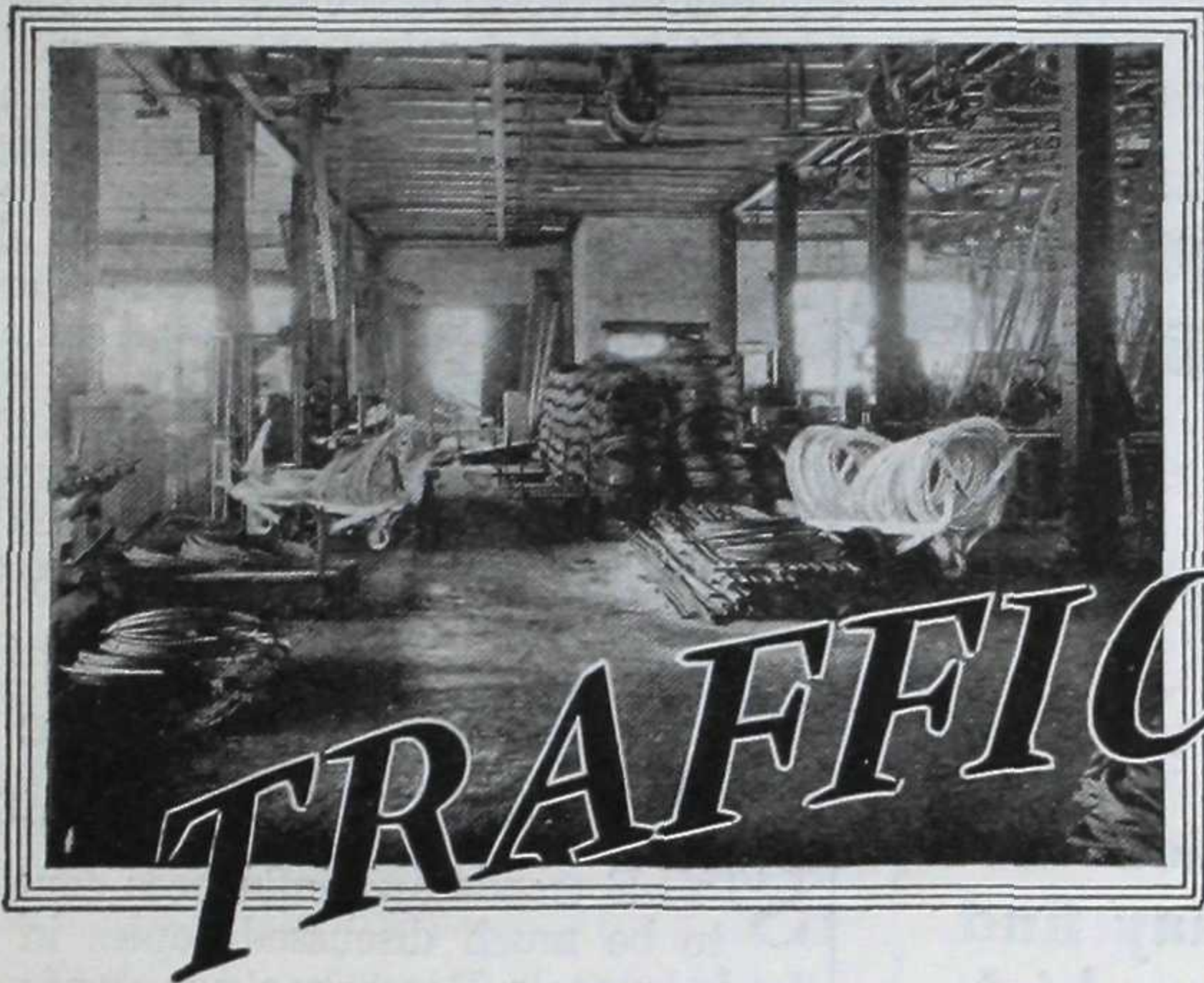
It may be prosperity or it may pave the way for adversity. If it is based upon the boast of figures merely, or if it is based on inflation (which we define for the formula—deposits make loans and loans make deposits) then the riches of prosperity are not entirely permanent, and the era of flotation and speculation must sometime, and



# Johns-Manville Industrial Flooring

*stands up under*

Long life in spite of hard usage is the record of this typical floor of the Crucible Steel Co., Syracuse, N. Y. It is Johns-Manville Industrial Flooring.



THE ability to stand hard usage under almost every condition has made Johns-Manville Industrial Flooring a leader wherever flooring costs are figured on a basis of actual performance.

This Flooring is water-proof, which protects workers from rheumatism often brought on by standing on absorbent types of floor.

Johns-Manville Industrial Flooring is also resilient, relatively noiseless, and *will not originate dust*. These factors all contribute to comfort, but besides such features Johns-Manville Industrial Flooring will stand wear remarkably. Heavy trucking, millions of footsteps, traffic of any sort have virtually no effect on the tough, non-skid surface of this Flooring. It is not harmed by exposure to weather, as on loading platforms, nor by the usual industrial chemicals.

Johns-Manville Industrial Flooring rates fifty to over one hundred percent higher than six of the most common floorings on the twelve points which determine the value of a floor. *Write to Johns-Manville Corporation, 292 Madison Avenue, New York City, for the booklet, "What More Could You Expect of a Floor?"*



The Electric Storage Battery Company, Crescentville, Pa., uses acid-resisting Johns-Manville Industrial Flooring.

On the New Haven freight platform of the N. Y., N. H. & H. R. R. Johns-Manville Industrial Flooring stands up under severe weather and traffic conditions.



MASTER of ASBESTOS  
**Johns-Manville**  
INDUSTRIAL FLOORING



## The Watchman's Clock



## Winter Is the Time— When Fires Start, and Watchmen Doze

In Winter, property losses through fire are heaviest. Watchmen then are inclined to doze in the warmth of a heated boiler room and often neglect their rounds.

Small fires, otherwise discovered in time, may gain disastrous headway.

NOW IS THE TIME to install a Detex Watchclock System and prevent such losses.

A Detex System furnishes a complete record of your watchman's movements during the night. It *keeps him awake*—it compels him to make his regular rounds or exposes his negligence *at once*.

Approved by the Underwriters' Laboratories, Inc., and Factory Mutuals Laboratory, Detex Watchclock Systems bring lower insurance rates; savings that often pay for the system in a year.

Mechanically perfect as the result of many years' experience in watchclock manufacture, they are also tamper-proof, require little attention and last for years.

You need Detex Protection this Winter and for all time to come. Let us send complete price information.

# DETEX

WATCHCLOCK CORPORATION

4153 Ravenswood Avenue, Chicago, Illinois  
29 Beach Street Boston 80 Varick Street New York

a continuation of the

NEWMAN CLOCK COMPANY  
ECO CLOCK COMPANY

manufacturing

NEWMAN-ECO

and by purchase of the Hardinge Patents

ALERT-PATROL

Watchman's Clock

Representatives in all Large Cities

# Reopening the Oregon Trail

By W. G. IDE

Manager, Oregon State Chamber of Commerce

**T**HIS article deals with the reopening of the Oregon trail, the bringing of a new tide of settlers to the great state that formed the western terminus of that storied highway of the last century.

So successfully has this ancient trail—in a manner of speaking—been put into use again, so many are the settlers who have been attracted to heretofore unclaimed lands and to acres opened by irrigation projects that at this writing Portland and other Oregon business interests are subscribing to a fund to continue the work of land settlement, a work started five years ago through the first Oregon Development Fund.

### Chamber Started Development

**T**HIS first fund was organized by the Portland Chamber of Commerce in 1923 and was subscribed by the state's business interests to the amount of \$780,000. Through the fund and the aggressive campaign that followed its subscription, 3,563 new families have already been brought to Oregon. These families have brought into the state \$14,134,229 in new capital and have occupied more than 103,801 acres of land, the greater part of which was not previously in profitable production. New taxable wealth has been created, and the annual buying power of the farm population has been increased by at least \$3,000,000.

Some counties have made outstanding successes of the campaign. At Grants Pass, in Josephine County, the Chamber of Commerce, headed by the president of the First National Bank, organized the entire community with the result that more than a thousand new families have been brought to that county.

In Klamath County more than two hundred new families were located during 1927—the greater part of them on the federal reclamation project through methods of the reclamation service. A committee of three men examined each settler as to his financial standing and other qualifications. The result was that the average capital of these new settlers exceeded \$5,000 each and their success was reasonably assured.

The mechanics and methods of the campaign deserve more than passing mention. The first Development Fund was placed under the control of ten trustees, all leaders in finance and business. These trustees allocated a portion of the fund for the land settlement program, and a land settlement committee of ten prominent business men was selected to plan the campaign. The State Chamber of Commerce, affiliated with 90 local chambers, was chosen to direct the work.

The committee decided to advertise for new farm families and to give them ex-

pert advice as to selection of lands suitable to their needs and at reasonable prices. At a conference at the state agricultural college it was decided to recommend the one-family diversified farm of about 40 acres—with dairying and poultry as the major activity and with fruit and vegetables for cash crops and family use. The smaller acreage recommended at once decreased the tax burden for the individual and increased the revenues of the state.

In carrying out this recommendation experts were sent out from the state college to confer with farmers in the various counties and to formulate a suitable agricultural program. This accomplished, the land settlement committee was enabled to recommend to the new settlers a balanced farming program which could be carried out under the direction of the county agricultural agents.

Marketing of farm products next was studied. Farmers were advised to grow products that could be shipped in condensed form.

The land settlement committee next visited many sections of the state, encouraging local chambers to form county land settlement committees, publish suitable literature, and otherwise cooperate in the state-wide movement to obtain desirable settlers.

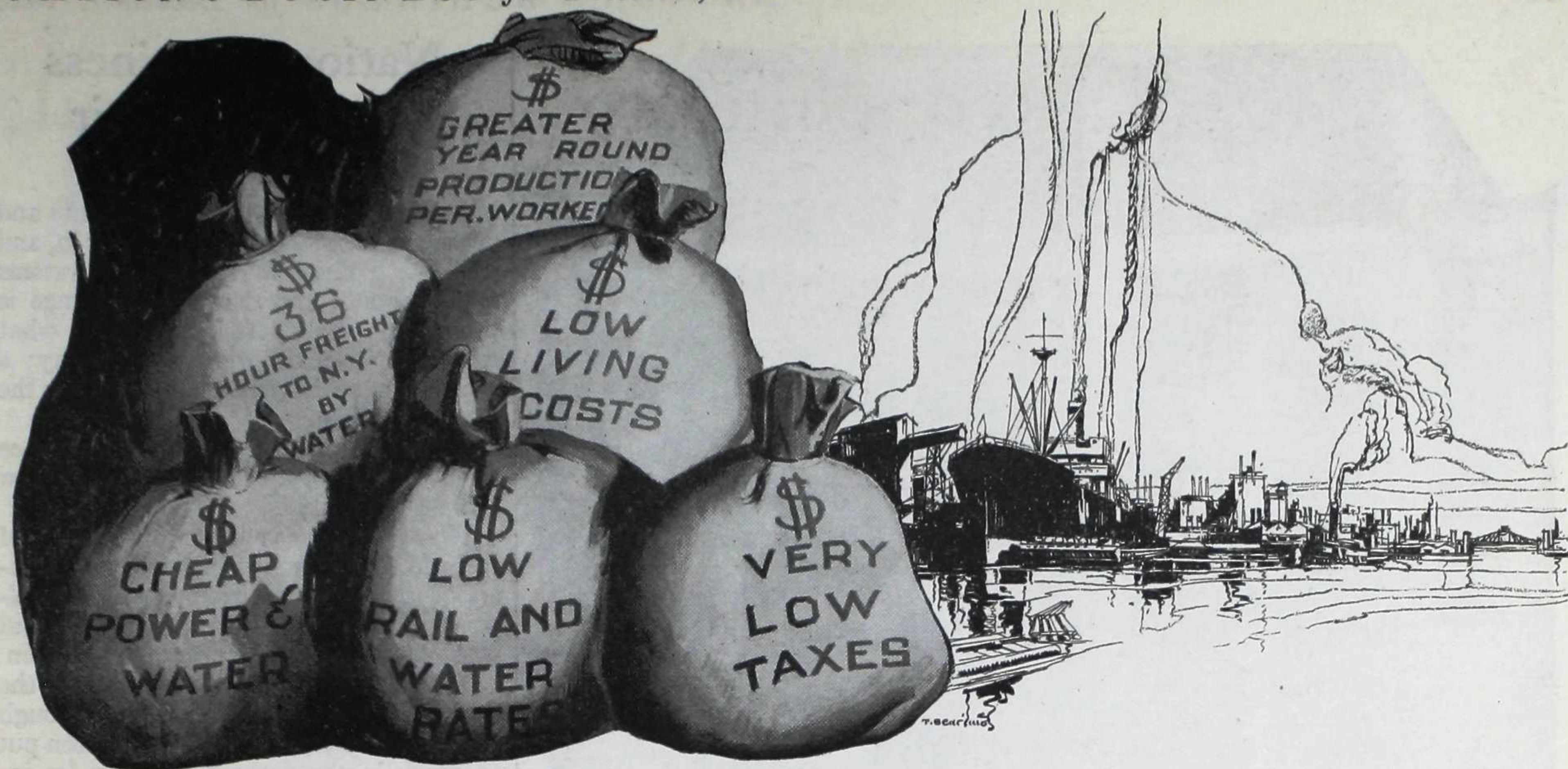
### Work Is Well Organized

**C**OMMITTEES were formed by the local chambers, usually of nine citizens who knew land values, but who had none of their own to sell. These committees were divided into three subcommittees—a listing committee to select suitable lands for new settlers, an appraisal committee to approve the price and attach to the listing a written certification that the land was reasonably worth the price quoted, and a welcoming committee to call upon the new settler and assist him to get acquainted with his neighbors and with his community affairs.

Classified advertisements were placed in farm journals of other sections and in a few national farm papers. More than 90,000 replies have been received and answered. A questionnaire form sent to each prospect has resulted in advice to many families not to come until they have sufficient capital or have acquired other qualifications necessary to success. A field man was sent out to call upon those whose questionnaires were approved. Ninety per cent of them were found to be *bona fide* prospects. They are coming into Oregon in a steady flow from month to month.

Largely as a result of this campaign, Oregon has actually increased in farm population despite the almost nation-wide movement from farms to cities.





## Industrial Profits Are Absolutely Certain in a Community Famous for Friendliness for 200 Years

Some scientifically-minded manufacturers, internationally renowned, want to establish a gigantic factory somewhere. Millions are involved. "Investigate thoroughly," they tell their experts.

These experts examine into numerous communities. Shortly they announce the amazing fact that by putting the plant in the James River Basin at Richmond, the manufacturers will save \$59,000 in taxes every year!

Now that's something. They probe further. At Richmond, they learn, tax assessments as well as tax rates are low, reliable labor is plentiful, and transportation is quick to population centers of the North and to the rich sections of the new, busy South.

And look: James River water is chemically pure and fresh, and also deep. There is a 36-hour express water service to New York. Scientists declare the climate industrially ideal. Labor's output is uniform the year 'round.

But what of tomorrow? They are convinced that Virginia means to foster industry. The tendency is

toward even lower taxes. No bonded indebtedness. Fine, so far. But will newcomers be happy? Thackeray was a visitor in Richmond before the Civil War. "I am delighted with the comfortable, friendly, cheerful little town—the picturesquest I have seen in America." It's no little town now, but a city of 225,000. Yet the examining experts are as delighted as was the author of "Vanity Fair." Richmond still is "friendly, cheerful."

It has schools where one may prepare for any business or profession, and numerous churches with open doors and pews, and shrines on every corner to stimulate and to reassure.

So Richmond gets the plant!

This is a true story. If YOU are thinking of relocating your plant or of establishing a new one, let our Industrial Department make a survey, without obligation, to let you know how well Richmond can meet YOUR needs. Write when convenient to

WILLIAM B. THALHIMER,  
Industrial Department,

RICHMOND CHAMBER OF COMMERCE

Room 100

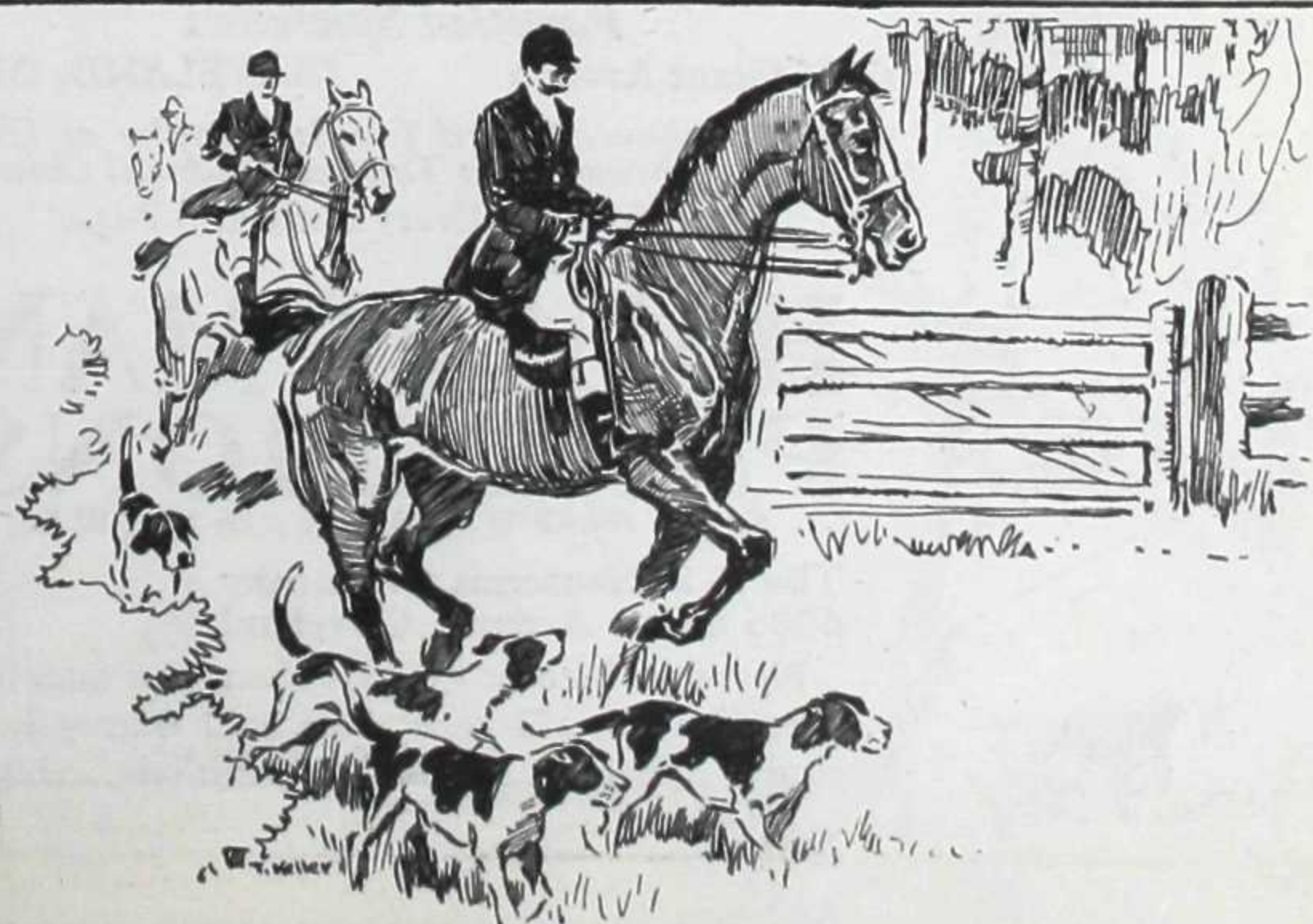
Richmond, Va.

# RICHMOND VIRGINIA

As far South as you Need Come for labor and Southern Distribution:  
as far South as you Can come for quick transportation North by rail  
and water.

*Tangy autumn air—horses champing at bits  
... red-coated riders. They're off! Over  
dewy pastures, sailing over rail fences as  
hounds give tongue, fox-hunting is one of  
the many delightful recreations enjoyed by  
Richmond people.*

*Richmond is a pleasant place in which to  
live as well as do business. Write for a free  
copy of "Joys of Living in Richmond."*





## Nation's Business Map of the Air

(Continued from page 43)

in looking to the past for precedents and decisions, progress rides in, steams in, and flies in. Politics and economic systems may stagnate and decay, but change is permanent. Lawyers bicker about what some forgotten big-wig meant to say; a thousand men drive machines through the air on schedule.

Man has entered the most dramatic race of all his history. The struggle is now against time itself.

When stage coaches were proposed early in this country's history, inn keepers protested on the grounds that travelers would not tarry as long as they did when horses alone meant transportation. Laws would not have availed against the coming of the railroads, either, although it is probably true that men have been put to death in the name of religion for inventing steam engines prior to Watt's time, because they imitated the devil. There is something about the nature of the airplane itself which challenges shortsightedness, and stirs men's minds to dreaming of the future.

A hundred years ago a rail map would have shown a tiny strip leading out of Baltimore and another under way at Albany. What will the air map of the next century show? It is now changing so fast that during the few days this map is on the press new developments will have been started. In the first 25 years of air travel more miles of air routes are being operated than was true of the railroad in the first quarter century of its existence.

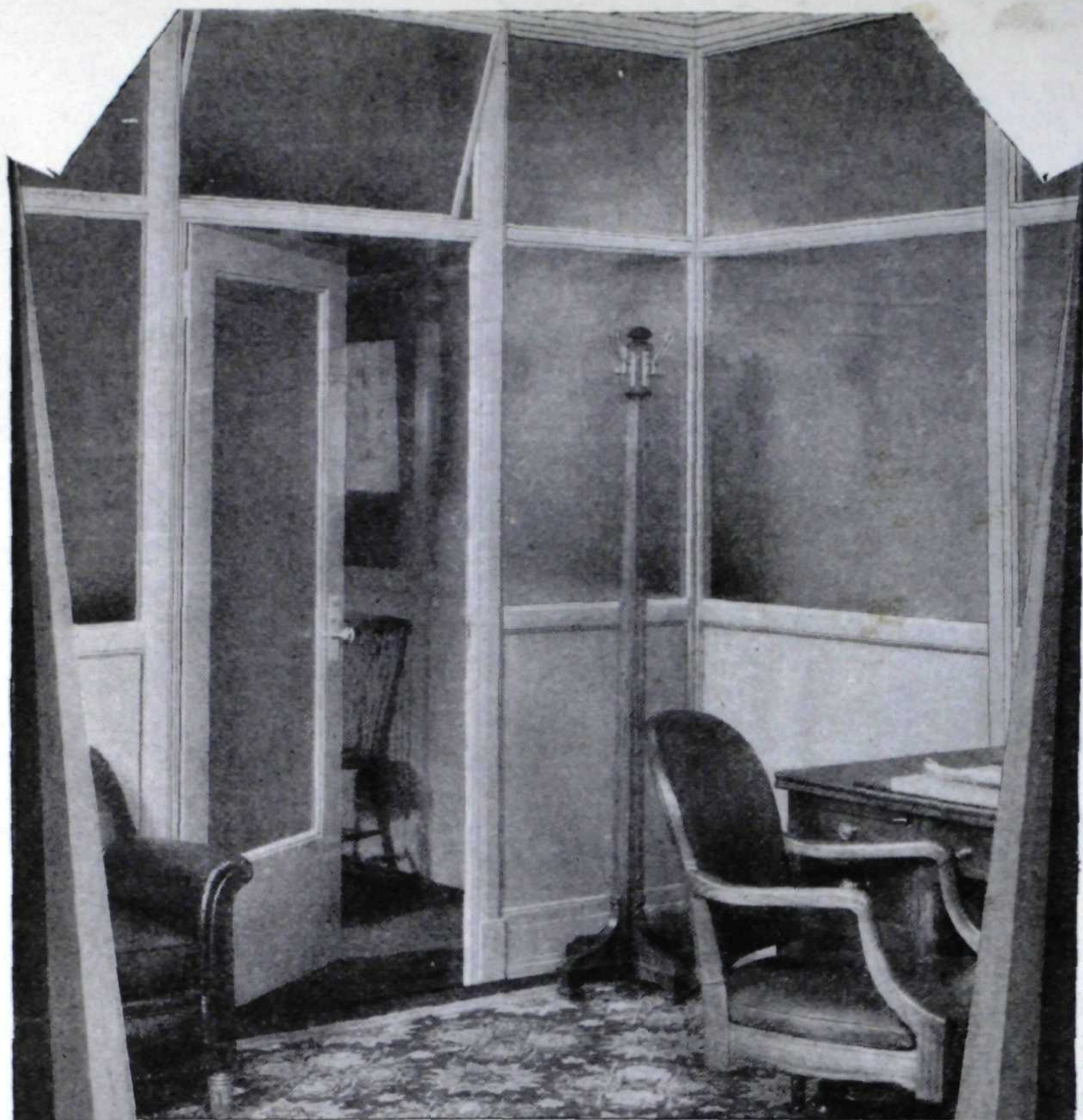
Whatever the future, America seems destined to contribute her full share. Making air travel available to all is no small achievement on the part of the commercial interests back of our American eagles.

*After reading this story of the airways in operation in the United States, you may be interested in looking at the map on page 72 showing the status of Europe's air lines and the graphic portrayal there of European schedules.—THE EDITOR.*

### We All Have Slaves

IT IS a present fashion to speak of electricity as the slave of mankind, and in that sort of servitude America is undeniably rich. As rated by the Department of the Interior, the power output last year amounted to 80,000,000,000 kilowatt hours. Converting all that throbbing energy into man power, the Department finds that a family of four persons has eleven able-bodied mechanical laborers on call for eight hours every day. Their cost is figured at \$75 a year.

By the virtues of daily dependability and nominal wage, electric power is the perfect servant, and especially is that praise deserved in its readiness to work Sundays and holidays. Electricity asks no days off, and it has no off days.



## The Modern Way of Partitioning

**F**AST moving American business demands partitions which are attractive, durable and readily moved to meet the inevitable changes. Hauserman Movable Steel Partitions meet all these requirements. Beautifully fashioned with slender, graceful posts and wide panels accentuating the vertical lines . . . in many colors, including lustrous flat tones such as tans, browns, grays and greens and mellow graining effects . . . of sectional units quickly erected or changed overnight.

Whether your needs are for a new building, or remodeling a present one, the advantages and economies of Hauserman Partitions will appeal to you. The coupon will bring you complete information.

**THE E. F. HAUSERMAN COMPANY**  
Partition Specialists

6906 Grant Avenue CLEVELAND, OHIO

Sales, Engineering and Erection Service at Direct  
Factory Branches in Thirteen Principal Cities.

"Partitions for Every Place and Purse"

**HAUSERMAN  
PARTITIONS**  
OF MOVABLE STEEL

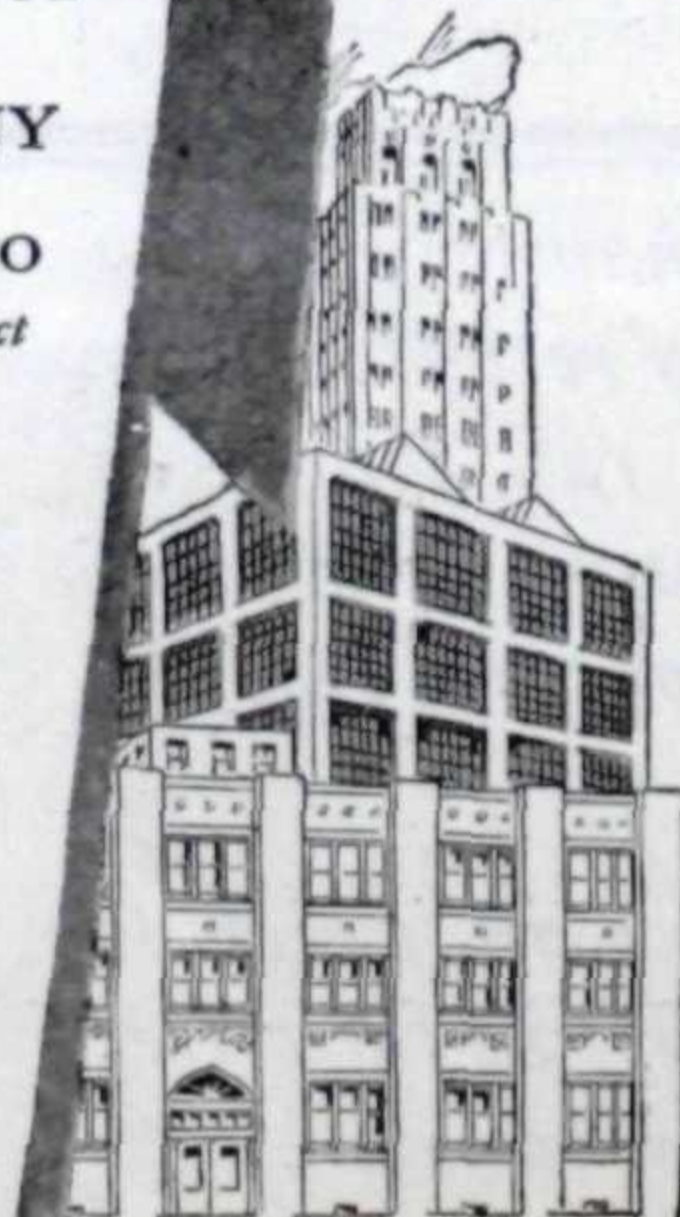
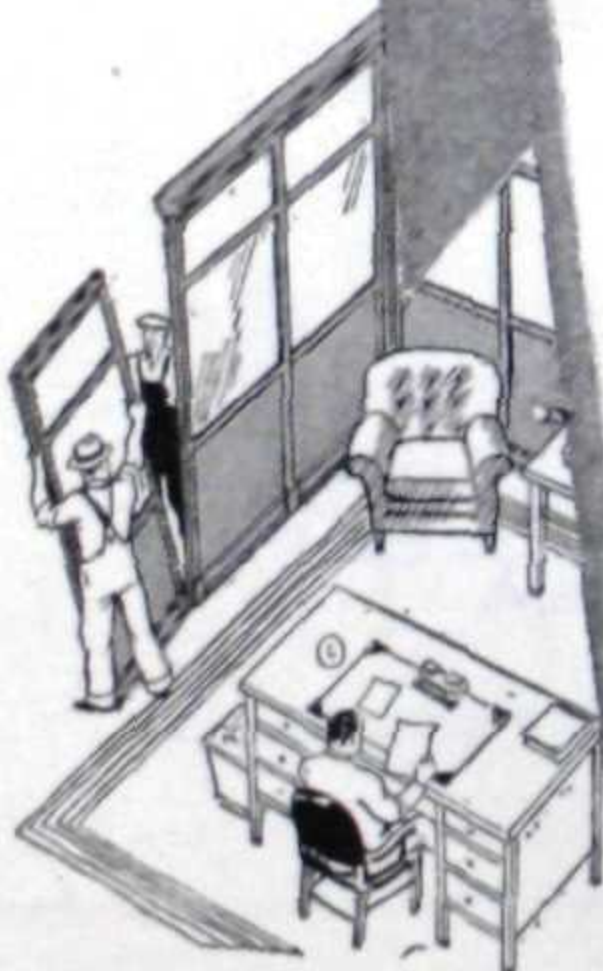
The E. F. Hauserman Company  
6906 Grant Avenue, Cleveland

Please send me information about partitions for  
executive offices ☐ general offices ☐ factory division ☐ Approx. \_\_\_\_\_ lineal ft. of partitions \_\_\_\_\_ high

Name \_\_\_\_\_

Address \_\_\_\_\_

When writing to THE E. F. HAUSERMAN COMPANY please mention Nation's Business





— [ LITTLE DRAMAS IN THE LIFE OF A GREAT NEWSPAPER SYSTEM ] —

# "Bust in the Door, boys!"

*... I'm not bluffed by  
Constitutional Rights!"*

JUSTICES of the peace from remote counties of a western state were raiding city homes. They issued search warrants signed in blank. Their men hammered and crashed their way into private houses on anonymous information.

Citizens were denied jury trials. They paid heavy fines, which the justices pocketed. Wets and Drys alike protested.

The local SCRIPPS-HOWARD Newspaper fought the raiders from the start. Other Scripps-Howard papers in the state chimed in. More than 100 men were sent to jail. And the State Legislature combined with the Supreme Court to curb the roving justices forever.

Residents of this state will never forget the part played by the SCRIPPS-HOWARD Newspapers in plugging this legal loophole. From beginning to end they followed every angle of this case, collected and produced evidence, and led a state-wide fight for civil liberty.

To gather and print the news . . . all the news . . . is the primary job of a newspaper. How completely and brilliantly this is done may be seen in today's issue of any SCRIPPS-HOWARD Newspaper.

But the Scripps-Howard pattern is not stamped on the surface of the news. It is woven into the fabric of our courts and churches, of our homes, our businesses, our pleasures. And the advertisements, like the editorials, do not skim. They penetrate.



Painted for Scripps-Howard Newspapers by George Brehm

NEW YORK . *Telegram*    SAN FRANCISCO . . *News*    INDIANAPOLIS . *Times*  
CLEVELAND . . . *Press*    WASHINGTON . . *News*    DENVER *Rocky Mt. News*  
BALTIMORE . . . *Post*    CINCINNATI . . . *Post*    TOLEDO . . *News-Bee*  
PITTSBURGH . . *Press*    COVINGTON, Kentucky *Post*    COLUMBUS . . *Citizen*

— Kentucky Edition of Cincinnati Post

**SCRIPPS-HOWARD**  
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AKRON . . *Times-Press*    YOUNGSTOWN *Telegram*    KNOXVILLE *News-Sentinel*  
BIRMINGHAM . . *Post*    FORT WORTH . . *Press*    EL PASO . . . . . *Post*  
MEMPHIS *Press-Scimitar*    OKLAHOMA CITY *News*    SAN DIEGO . . . . . *Sun*  
HOUSTON . . . *Press*    EVANSVILLE . . . *Press*    TERRE HAUTE . . *Post*  
ALBUQUERQUE . . . *New Mexico State Tribune*

**NEWSPAPERS**  
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NATIONAL ADVERTISING DEPARTMENT, William S. Cady, DIRECTOR, 250 PARK AVENUE, NEW YORK  
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Winter Mornings!

Can you heat  
your plant before  
you've melted  
the snow off  
the roof?

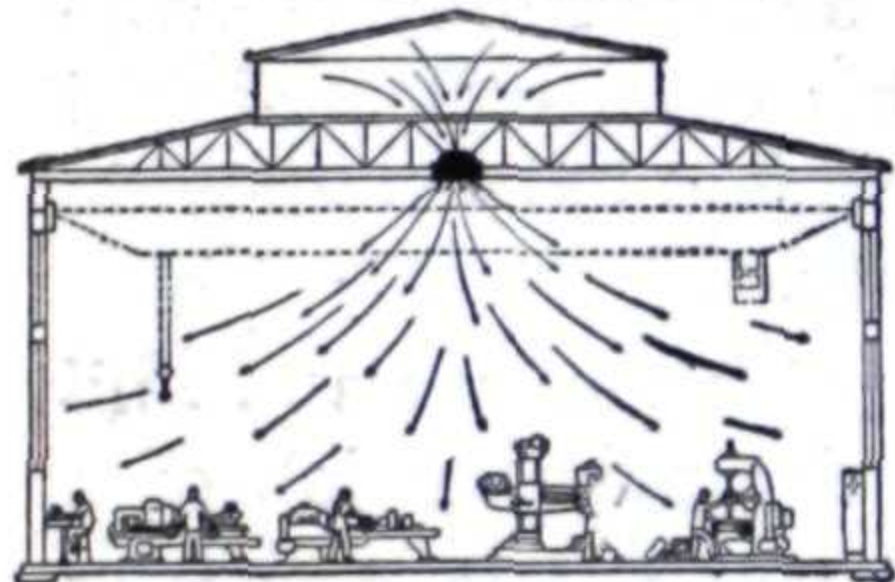


**W**ITH most heating systems you can't! Except in spots uncomfortably close to the heating units. With Wing Featherweight Unit Heaters you can. Here's why—

In the morning when you turn the steam on full, the air everywhere in your building is cold. As this air is heated it naturally rises from your heating units and cold air descends to take its place. Only after all cold air overhead has been displaced will enough warm air come down from above to warm the whole of your plant.

Wing Featherweight Unit Heaters have been scientifically designed to correct this condition. Located overhead they prevent the accumulation of highly heated air under the roof by using this overhead air—reheating it in their featherweight steam coils, and directing it downward so that it mixes with the cooler air beneath. You feel the effect of Wing Heaters immediately in the morning.

This is one reason why manufacturers everywhere are turning to the efficiency and economy of Wing Heaters. No other method can give such quick, well distributed, easily controlled heat.



Wing Heaters create a continuous, healthful circulation of warmed air through the plant.

Our new catalog explains in detail. Send for it.

**L. J. WING MFG. CO.**

55 Seventh Ave. New York City



Wing  
High  
Ceiling  
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Feather-  
weight  
Unit  
Heater

**WING**  
**FEATHERWEIGHT**  
**UNIT HEATERS**

When writing please mention Nation's Business

## WHAT I'VE BEEN READING

By WILLIAM FEATHER

**W**ALTER B. PITKIN, author of *The Twilight of the American Mind*,<sup>1</sup> has given us something entirely new to worry about.

He has arrived at the startling conclusion that we are breeding and training vastly more intelligent people than we can find jobs for.

He sees the United States forging ahead toward a Utopia in which material wants will be so lavishly supplied that men will cease to bother about property or thrift or the economic problems which have chiefly concerned us in the past.

The ordinary person will be in a heaven exceeding his rosier dreams.

But for the Best Minds it may be a tragedy.

What is this all about, anyway?

Well, Professor Pitkin, who is a member of the department of journalism at Columbia University, tells us that a few years ago when he was engaged in vocational training he was astonished at the large number of highly intelligent, well-educated men and women who were applying for jobs far beneath them. The number of brilliant lawyers, competent engineers and skilled physicians who were barely above the level of starvation made it plain that there was something wrong in the economic or social system. The question was, where did the trouble lie?

"After a long study of the vocations themselves," he writes, "I began to perceive that the trouble resided in the newer tendencies in economic organization, education and in the development of machinery."

**P**ROFESSOR PITKIN uses the major part of his book to establish his thesis, which is that jobs requiring Best Minds are decreasing in number, as organization and machinery are perfected.

Perhaps it should be inserted here that Professor Pitkin's notion of a Best Mind is a person who can pass an intelligence test with a quotient of 130, or better.

There are estimated to be 613,800 such in the United States.

He analyzes all types of business and manufacturing, also engineering, transportation, architecture, medicine, law, journalism, education, the ministry, social service, government service, art, science, and agriculture.

The tendency for many years has been to organize everything into larger units. The tendency is desirable, inevitable. But it is reducing the opportunities for first-class minds.

Chain stores are replacing independent merchants. The brains of the chain stores are at the head office. A man with

an ordinary mind makes a better manager of a chain store than a man with a first-class mind. A first-class mind would resent being told exactly what to do, thus being deprived of an outlet for initiative and judgment.

In journalism the identical tendency prevails. Newspapers decrease in number, due to consolidations. Cooperative news agencies and syndicates flourish. Hundreds, if not thousands, of jobs requiring Best Minds are eliminated. Men with strong legs run the streets and the newspapers are written by a handful of skilled writers in the editorial office.

**T**WO basic principles are operating in every department of American activity. They are:

"Give as much work as possible to machines and to system. Give as little as possible to men."

"Never give to any man work which another man of less ability can do equally well, as far as the finished product is concerned."

The first principle needs no expansion. The second is newer, and is the core of the book. Professor Pitkin outlines it this way:

"A man who finds no adequate outlet for his strongest native capacities and for his special abilities is blocked, thwarted, and eventually upset. He may become neurotic or simply apathetic or savagely rebellious. And he causes trouble to himself and to others until set right."

"There are two kinds of such maladjustment. One arises from undertaking work which exceeds one's capacities and abilities. The other arises from work which falls far short of the latter. The first usually causes overstrain, worry, and eventual collapse of some kind. The second causes irritation, anger, rebellion, and a tendency to quit the job suddenly; or, in another type of person, it causes unpleasant reverie which often becomes a sort of hysterical brooding over real or fancied troubles."

**W**HEN the dailies announce another consolidation—and a day rarely passes without the mention of a half dozen—what do you suppose happens to the surplus of Best Minds? The purpose of most consolidations is to reduce overhead expense. Some executives and other high-priced men must be eliminated, if not now, eventually.

Can these men find equally good jobs elsewhere? Professor Pitkin does not think so, and he devotes almost 300 pages of the book to a careful analysis of all opportunities.

He concludes that we already have three and a half times as many Best Minds as are needed by our economic social system. And within another genera-

<sup>1</sup>*The Twilight of the American Mind*, by Walter B. Pitkin. Simon and Schuster, New York. 362 pages \$3.



# Ask the Men who Build Motors

If all buyers of electric motors knew what every motor builder knows, America's factories would save thousands of dollars every day. No group of experts is more fully aware of the savings made by the careful choice of Motor Control... Good electric motors guarded by correct control equipment are unfailingly dependable through years and years of service. Protected from overloads, such motors do not waste the time of men and machines while burned-out windings are being repaired. Protected against mishandling, their normal long life is not shortened by excessive wear. Because of their convenient—and often automatic—control, such motors conserve the time of workmen and make substantial savings in power.

All of the thoroughness in design and all of the quality built into good motors today is utilized only when you select Motor Control and motors with *equal* discrimination. Ask the men who build *your* motors what control equipment should be used. Because the performance of their product hinges so decidedly on correct Motor Control, most motor builders will give you one answer, "Standardize on Cutler-Hammer."

**The CUTLER-HAMMER Mfg. Co.**

Pioneer Manufacturers of Electric Control Apparatus  
1251 St. Paul Avenue Milwaukee, Wisconsin

## 13 Thirteen Times The Manpower of Industry Hidden Away in Electric Motors

Electric motors in America's industries today provide working capacity equal to 250 million workmen—more than 13 times the actual number of men employed. How well this army of "unseen" workers is used is determined by the care with which Motor Control is selected.

POWER  
WITHOUT  
*CONTROL*  
IS WORSE  
THAN  
WASTED



# CUTLER HAMMER

*The Control Equipment Good Electric Motors Deserve*



The Brooks Company,  
1235 Superior Ave., Cleveland, O.  
In Canada  
Copeland-Chatterton, Ltd.,  
Toronto  
You may send me, without  
obligation, a copy of "The Boss  
Knows."  
Name.....  
Business.....  
Address.....

"The Boss  
Knows"  
That is, he does  
if he has a certain  
well known source  
of INFORMATION

## Time Saving is important

... but even more so is  
the positive control of your  
business.

Installations of Brooks Visualizers pay for themselves in a few months through record-keeping savings—but business control starts immediately. This means that you constantly have before you the vital record facts of your business—visible facts which help safeguard as well as increase profits.

It is interesting how Brooks Visualizers save and give you this control. Note the coupon and get your copy of "The Boss Knows."

FLEX-SITE  
PATENT SHIFTS

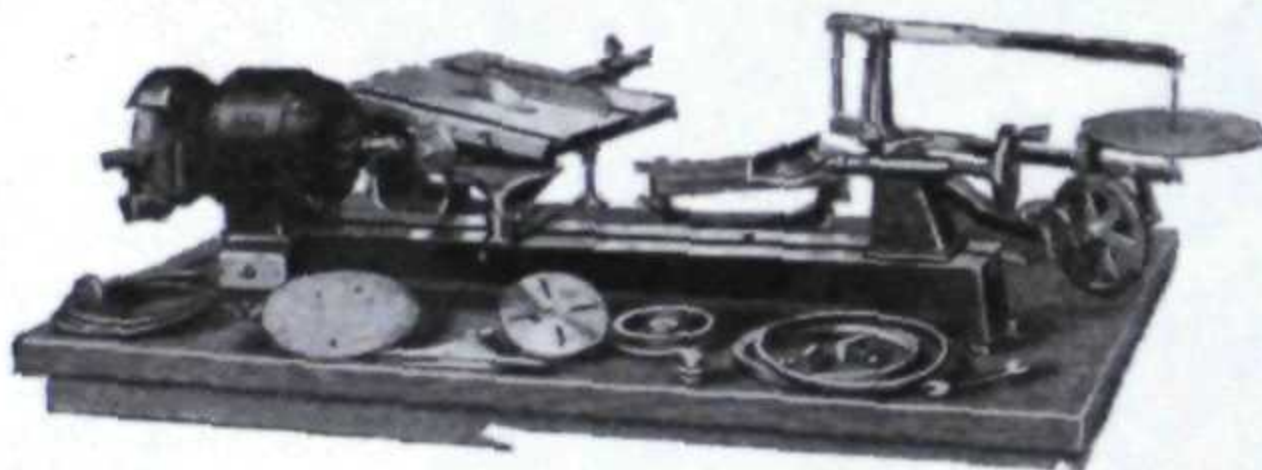
# BROOKS VISUALIZERS

TRADE MARK

## WITH AUTOMATIC SHIFT

## A Work-Shop for Your Boy That You, Too, Will Enjoy

Not a toy, nor  
a makeshift, but  
a well-designed,  
ruggedly-built  
outfit



Adds to the joy  
of making things  
the satisfaction  
of making them  
right

Here is a Christmas gift that will bring lasting joy into the life of any red-blooded boy, and answer the conscientious father's problem of providing his son with constructive, worthwhile recreation for his idle hours.

And it is a real work-shop—a work-shop built for strength, and accuracy, and durability under constant hard usage. Its sturdy 1/2 H.P. ball-bearing repulsion-induction motor—the most efficient type built—provides abundant power for any work the outfit will be called upon to do.

Make your boy happy—and yourself, too—by giving him an Ar-Con Utilitool for Christmas.

**AR-CON**  
UTILITOOL

The complete Ar-Con Utilitool consists of a rugged motor-head lathe with full accessory equipment, including grinding wheel and cotton buffs; a circular-saw table; a jig and scroll saw; a sanding disc and table, and all necessary accessories—but units may be purchased singly or in any combination desired. Send for fully illustrated descriptive circular and complete price list, with terms. The coupon is for your convenience.

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tion, if the present breeding rate of superior people keeps up, there may be five or six times as many.

This is his challenge to the eugenists who have pictured a world filled with Best Minds. What will they do with their brains?

Professor Pitkin anticipates that the problem will be acute by the year 1975.

He does not face the prospect with terror. He would not care to alter the tendency. He sees a faint hope in the prospect that many Best Minds, finding no hard tasks for their wits in the real world, may invent diverting hobbies. But he is worried.

ANYTHING is news until it has been printed, and an old book that you haven't read is just as good as the latest volume from the bindery.

With that introduction, I excuse myself for referring to two books which were first published many years ago. *Life and Literature*,<sup>2</sup> by Lafcadio Hearn, was read last month, and his chapter on Tolstoy led me to buy and read *Tolstoy on Art*.<sup>3</sup>

Hearn is still regarded as a great critic and Tolstoy as one of the foremost novelists, although both have been dead about a quarter of a century.

These men agree that no art is first-class unless it can be understood by ordinary people. A taste for odd forms of art, even decadent art, can be cultivated, just as a taste can be cultivated for rotten cheese or "gamey" meat, but normal people with normal appetites prefer normal food.

"Perverved art may not please the majority of men, but good art always pleases every one," says Tolstoy.

Many have observed that the extremely sophisticated collectors of etchings and paintings and books usually have a locked cupboard or a bolted room in which they store their choicest items. These are usually pretty raw, if not obscene.

Pictures of naked women, statues of nudity, stories and poems suggesting sensuality are the dominant note in much so-called art.

"OUR novels," adds Hearn, "are, for the great majority, stories of social life written with a view to keeping the sexual feelings of the reader slightly excited."

This theme is developed by both writers at great length. Even if their contention is untrue, it is interesting, because we all know people who boast of their aesthetic appreciation and who would walk ten miles to see a nude, but who would not lift their eyes above a flapper's knees to observe a beautiful elm.

Hearn says: "I do not hesitate for a moment to say that the best judge of

<sup>2</sup>*Life and Literature*, by Lafcadio Hearn, selected and edited by John Erskine. Dodd, Mead and Company, New York. 393 pages. \$4.

<sup>3</sup>*Tolstoy on Art*, by Aylmar Maude. Small, Maynard & Company, Boston. 504 pages. \$5.



beauty in the world is the common man of the people. I do not mean that every man of that class is better than others; but I mean that the quickest and best judges of either a man or a woman are the very same persons who are the quickest and best judges of a horse or a cow."

What Hearn means is that beauty flows out of function. There can be beauty in a saw, an axe, a steam shovel, a truck, a locomotive, and a skyscraper, and it will be just as true and just as pure as the beauty in a woman's leg.

**B**ERTRAND RUSSELL has a new book entitled *Sceptical Essays*.<sup>4</sup>

He says: "The scepticism that I advocate amounts only to this: (1) that when the experts are agreed, the opposite opinion cannot be held to be certain; (2) that when they are not agreed, no opinion can be regarded as certain by a nonexpert; and (3) that when they all hold that no sufficient grounds for a positive opinion exists, the ordinary man would be well to suspend his judgment."

Russell is a noted English mathematician, a scientist. Although his philosophic propositions seem mild, he contends that, if accepted, they would revolutionize human life.

Russell is probably right, but it is doubtful whether life after the revolution would be a tenth as interesting as now. Imagine being unable to argue about politics or religion, or whether the world was flat, or whether disease was caused by germs, or whether phrenology was a science! How terrible to postpone judgment until all the experts had been heard from. The experts would take on a new importance. Their decisions would be awaited as eagerly as reports from the doubtful states in a presidential election.

Russell draws on China for evidence that life could be more idyllic in the Western world. Great heavens! I'm sick of being told that the Chinese are a thousand years ahead of us in the art of living when the common knowledge is that they live like cattle, and are a thousand years behind us in every material comfort.

**W**HEN a man uses China to maintain an argument on the Beautiful Life he should be suspect.

An example of Russell's pathetic ignorance of economics occurs in his essay on "Machines and the Emotions." He discusses the motives that move us to increase our incomes after we have enough money to satisfy our personal needs, and says, "If, by law, we all had exactly the same income, we should have to seek some other way of being superior to our neighbors, and most of our present craving for material possessions would cease." And then he adds that no general good comes from the competitive search for wealth. The last statement is exactly 100 per cent wrong.

When men compete in the production

<sup>4</sup>*Sceptical Essays*, by Bertrand Russell. W. W. Norton & Company, Inc., New York. 256 pages. \$2.50.

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of wealth, nobody loses! If I compete with my neighbor for the yield per acre of land and lose, I still have more grain to sell than I would have had if I had not been stimulated by the competition. The world has more grain to eat, and famine is therefore postponed.

When automobile manufacturers compete it is not essential that any of them go bankrupt. It is conceivable that every manufacturer might enjoy abundant prosperity, and it is inevitable that the public will have the choice of many excellent cars at the lowest possible prices.

The beautiful feature of economic competition is that nobody loses, provided he is economically efficient. Russell's failure to perceive this fact upsets his argument.

**E.** HALDEMANN-JULIUS, publisher of the widely known nickel Blue Books, tells about the reading tastes of American book buyers.<sup>6</sup>

The statistics do not quite bear out Tolstoy's estimate of the taste of the so-called common man. It is disconcerting to note that *Harlot's House, and Other Poems* by Oscar Wilde sells 40,000 copies annually, or twice as well as *Poems of Robert Burns*, second in the list of British poets. Haldemann-Julius explains the large sale of the Wilde book by the title.

Tolstoy's *Love's Redemption* is a big seller among plays. As usual, according to the publisher, the title is helpful.

Ed Howe's *Success Easier Than Failure* makes a score of 77,000, whereas less attractively named books by Howe sell as low as 5,000. Haldemann-Julius proposes to change the title of Howe's *Notes for My Biographer* to *Stepping Stones up from Failure*.

In philosophy Americans turn first to Nietzsche and buy 45,000 copies; next they read Plato, and third Anatole France, with figures of 39,000 and 32,000 respectively.

Following is a list of the titles mentioned by Haldemann-Julius which sell around 30,000 or more annually:

	Copies
The Rubaiyat of Omar Khayyam	50,000
Harlot's House and Other Poems (Wilde) . . . . .	40,000
Love's Redemption (Tolstoy) . . .	29,500
Dr. Jekyll and Mr. Hyde (Stevenson) . . . . .	29,500
Story of Friedrich Nietzsche's Philosophy . . . . .	45,000
Story of Plato's Philosophy . . . .	39,000
Story of Anatole France and His Philosophy . . . . .	32,000
Is Life Worth Living? (Darrow Debate) . . . . .	33,000
The Art of Happiness (John Cowper Powys) . . . . .	31,000
Is the Human Race Getting Anywhere? (Darrow Debate) . . . .	30,000
Success Easier Than Failure (Howe) . . . . .	77,000

<sup>6</sup>The First Hundred Million, by E. Haldemann-Julius. Simon and Schuster, New York. 340 pages. \$3.



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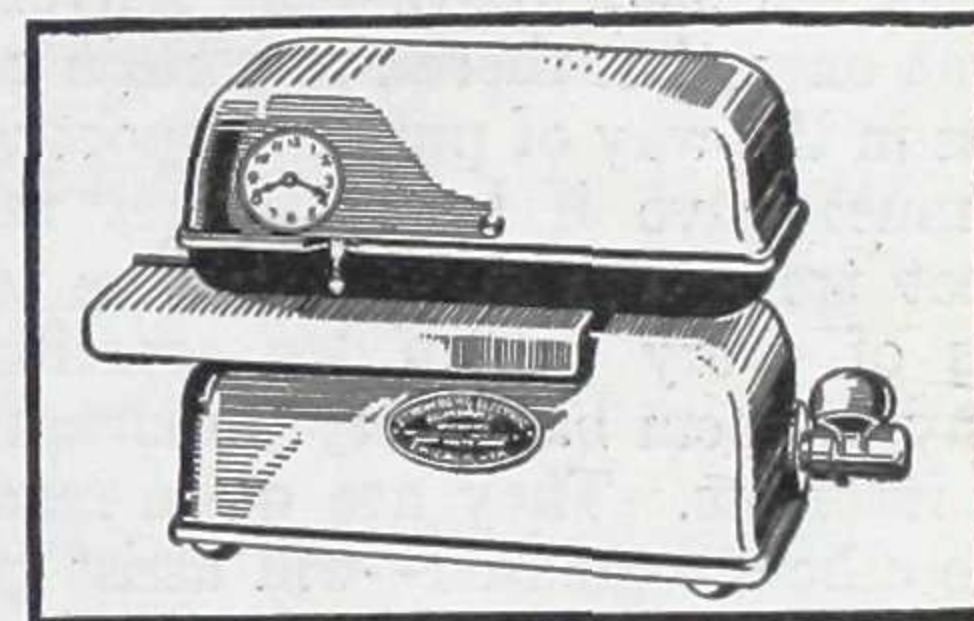
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# Untangling Our Traffic

(Continued from page 41)

on Street Safety the answer to that question is not nearly so difficult today as it would have been five years ago. The reports are available and if this article should induce a few more civic-minded citizens to read these reports—and they are both easy and interesting reading—an important job will have been done. Intelligent thinking on the problem will lead to intelligent action.

## Traffic Problem Is Serious

**A**CTION is possible if some influential person or group in a city not only wants to improve traffic conditions but wants it with enough sincerity to spend money and to develop interest. When that point is reached it must be remembered that street traffic is the life blood of a community and the correction of the difficulties in a haphazard fashion is unjustifiable.

Granted that the community has awakened to the fact that something must be done, where will you get the leadership? The ideal leader is, of course, the head of the city government. If he is a man of vision and force, if he has the support of his city board, and if—and this may be the dominating factor—public opinion has realized that the wastage of traffic hazards and congestion cost the city enormously more than the cost of analysis and correction, there is an ideal situation for action.

But—even with all the excellent conditions outlined above—the mayor will see at once that there are certain necessities in the way of public support which he must have if he is to get results. Street traffic problems are close to the lives of every one of his constituents. Many of them have very important selfish interests. They are quite ready to have others regulated—will assist generously in that regulation—but will revolt when it affects themselves.

Herein lies the difficulty in the situation—and the opportunity for the business man, in his aggregate form, such as his chamber of commerce.

## Business Has Its Chance

**I**T is possible that the city administration may not care to lead in the discussion of the difficulties of street traffic, but may prefer to let someone else raise the money, conduct a survey and study, get the conflicting interests into line, and bring the findings to the administration for acceptance or rejection. This gives the business man, again, the opportunity to help toward successful results.

Leadership, therefore, will either come from the mayor or from some citizen or group of citizens. If it comes from the mayor the difficulties of the situation can be met best by having an unofficial citizens' committee working with the offi-

cials and acting as a buffer between them and the conflicting interests; thus absorbing the "grief" and bringing in results which will have a great deal of the controversy eliminated. Or if the leadership must come from other sources, the citizens' committee can be the head of the whole movement and may work out the entire program for final presentation to the authorities.

There are many reasons why a citizens' committee can function where it is hard for a public official to do so. It can hold its hearings in private, for example. This is important, for too frequently public hearings are dominated by noise rather than reason. In private, also, theorists and cranks can be shut out or shut up.

The committee should include an important public-spirited leader from each one of the business interests affected by street traffic regulation. In Chicago the committee consisted of 73 men, most of them of diverging interests. It was not unwieldy. Such a committee can obtain the type of men who would not appear at a public hearing, but would send there instead their attorneys or managers.

In such a group the basic principle that whatever is best for the city as a whole is best for the individual can be accepted; where as in a formal public hearing it is hard to get that far. With that as a principle and the right sort of citizen around the table, it is marvelous how divergent selfish interests may be harmonized to the best interests of the community.

When a plan is developed, it is a probability that it will be adopted by the authorities. This is a

good thing to remember—better a 60 per cent plan in operation than a 100 per cent plan in a pigeon hole. The job is not done until the plan is in operation, and if the first plan cannot be put into operation, it should be modified until it can be. Results count, not plans.

Once the committee is organized, the first thing is to get a true picture of the situation. Avoid half truths or solutions which will not stand engineering tests. Some member may have a friend who sells traffic control lights and he will be convinced, honestly, that all you need to do is to install lots of traffic signals. Unnecessary traffic signals are extremely detrimental. Another will know that he can solve everything with a system of one-way streets. In their place, one-way streets are excellent, but in some instances they add a most expensive amount of

traffic mileage. And then someone will be convinced that "no parking" is the answer—and that theory will be acceptable to your public carriers, but there will be some to whom it will be most unpopular.

There seems one safe way. Agree at the beginning to scrap all theories and conduct a real engineering survey to determine just what the conditions actually are. This should be done by a trained street traffic engineer. Such an adviser can add the necessary assurance of a well-balanced analysis of the problems.

## Chicago Survey Popular

**T**HE report of the Chicago survey, made in 1926, has been sent, on request, to 37 cities in 24 foreign countries in addition to a distribution of 1,000 copies in America. It in itself gives a pretty good idea of what should be done in a traffic survey—and several surveys made since then show improvements in technique.

In brief, the committee tried hard to find out what the then situation was and what it was going to be. Then it endeavored to plan for it by preparing remedies, most of which were incorporated into a proposed traffic ordinance which was ultimately adopted. The new Model Municipal Traffic Ordinance of the National

Conference on Street and Highway Safety is very similar to this ordinance.

In Chicago, however, there was a favorable situation which may not exist in many cities, and which presents a most perplexing problem in some places. Street traffic may be improved in three ways:

1. By change in regulations or in traffic control or in those arrangements which

can increase the usefulness and safety of the streets (traffic facilities) that exist already.

2. By widening or repairing or otherwise improving the streets.

3. By creating new streets where necessary.

The third adjustment was not required in Chicago as an urgent need of the Central District at the present time. Shortly after the World's Fair, a group of dreamers for Chicago conceived the Chicago Plan, which is an active agency for enlarging and developing street facilities to fit the growing needs of the city.

The Chicago Plan has already cared for the most necessary improvements in street traffic facilities—and is proceeding faster than ever.

As a result of this work the downtown district in Chicago unlike that of so many

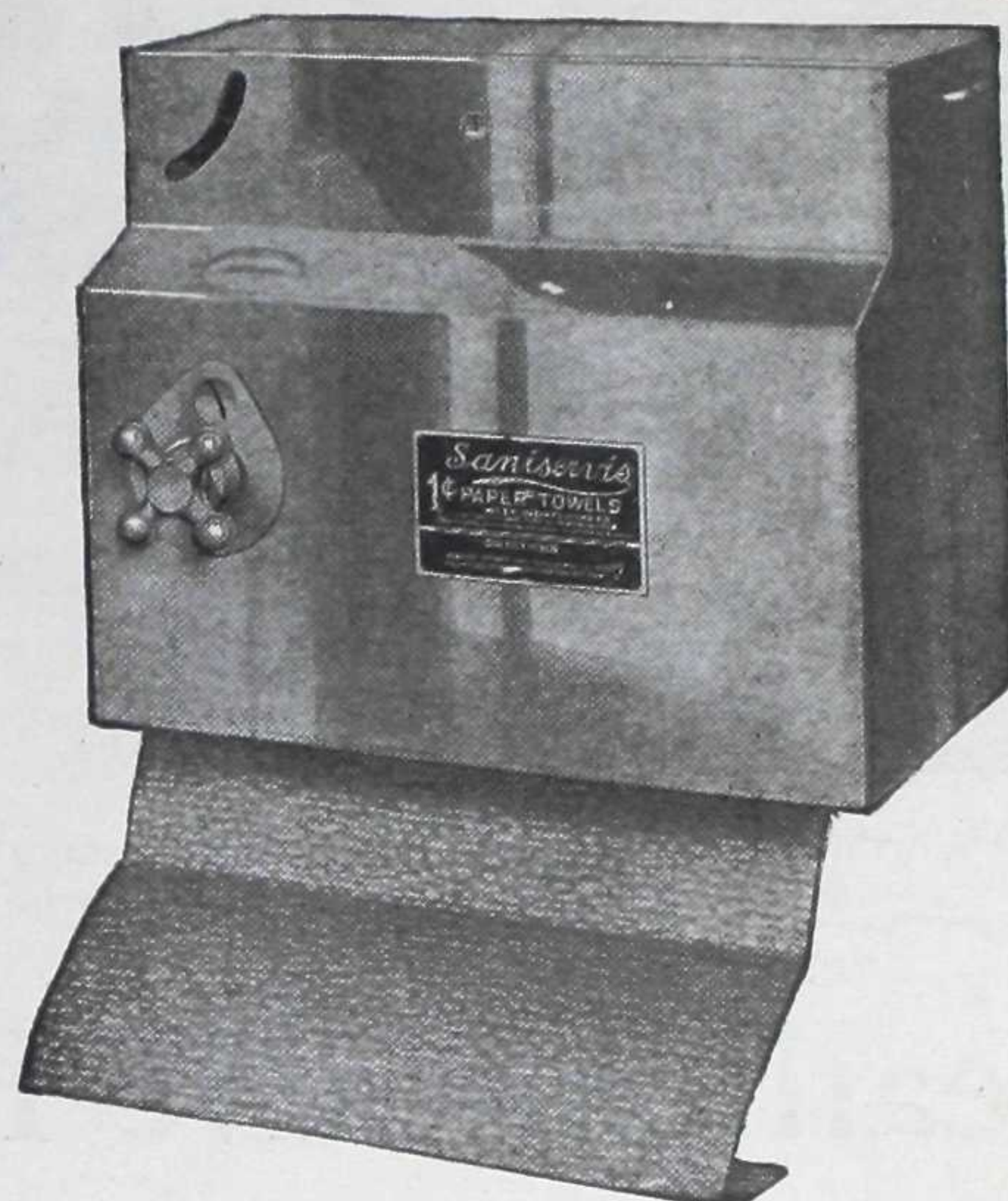
“THIS traffic problem of ours is so great and is growing so rapidly that our best efforts will be required to keep abreast of it, or as we hope, a step ahead. As a foundation for this, we must have simple and uniform rules and regulations”



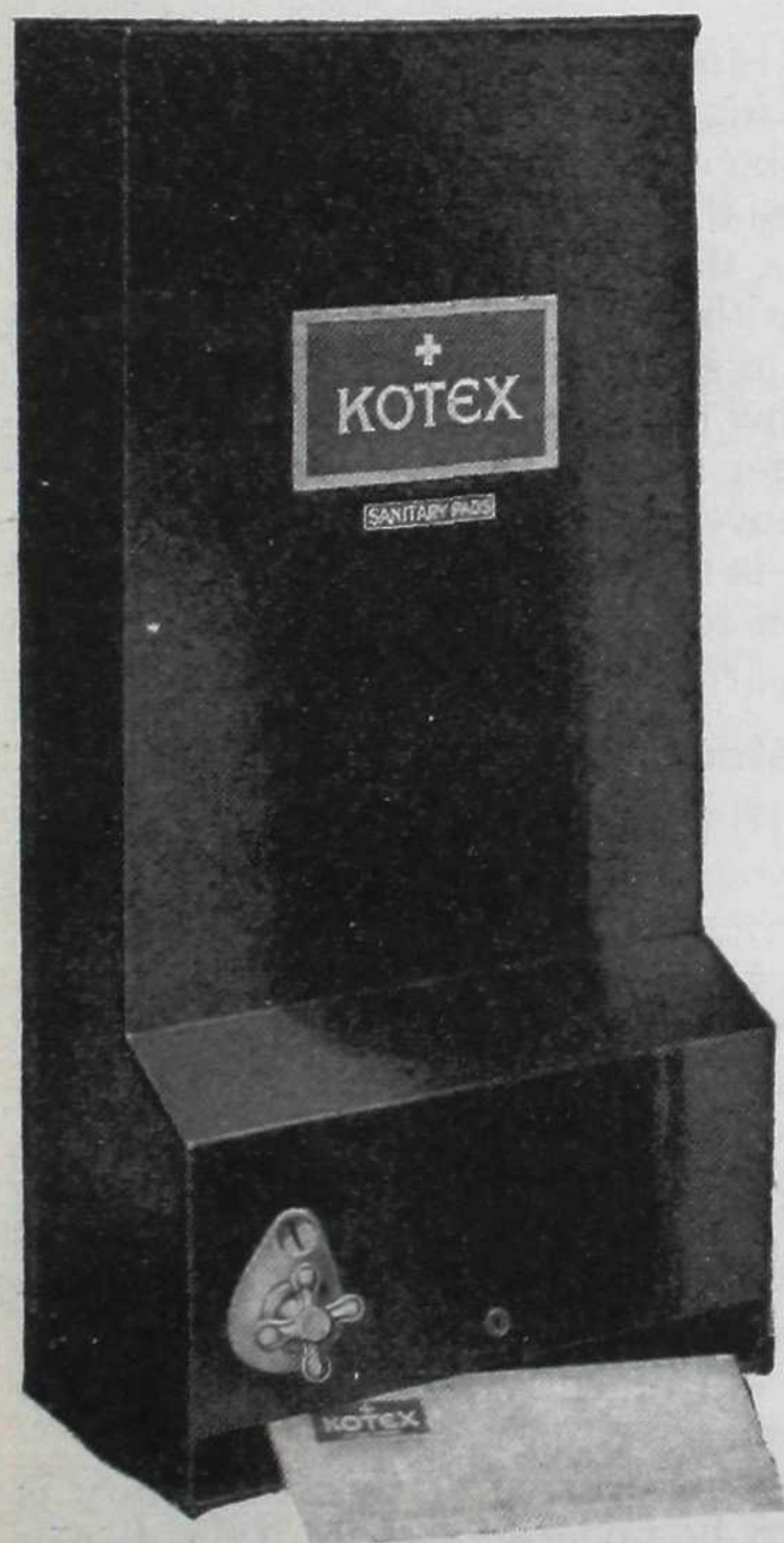
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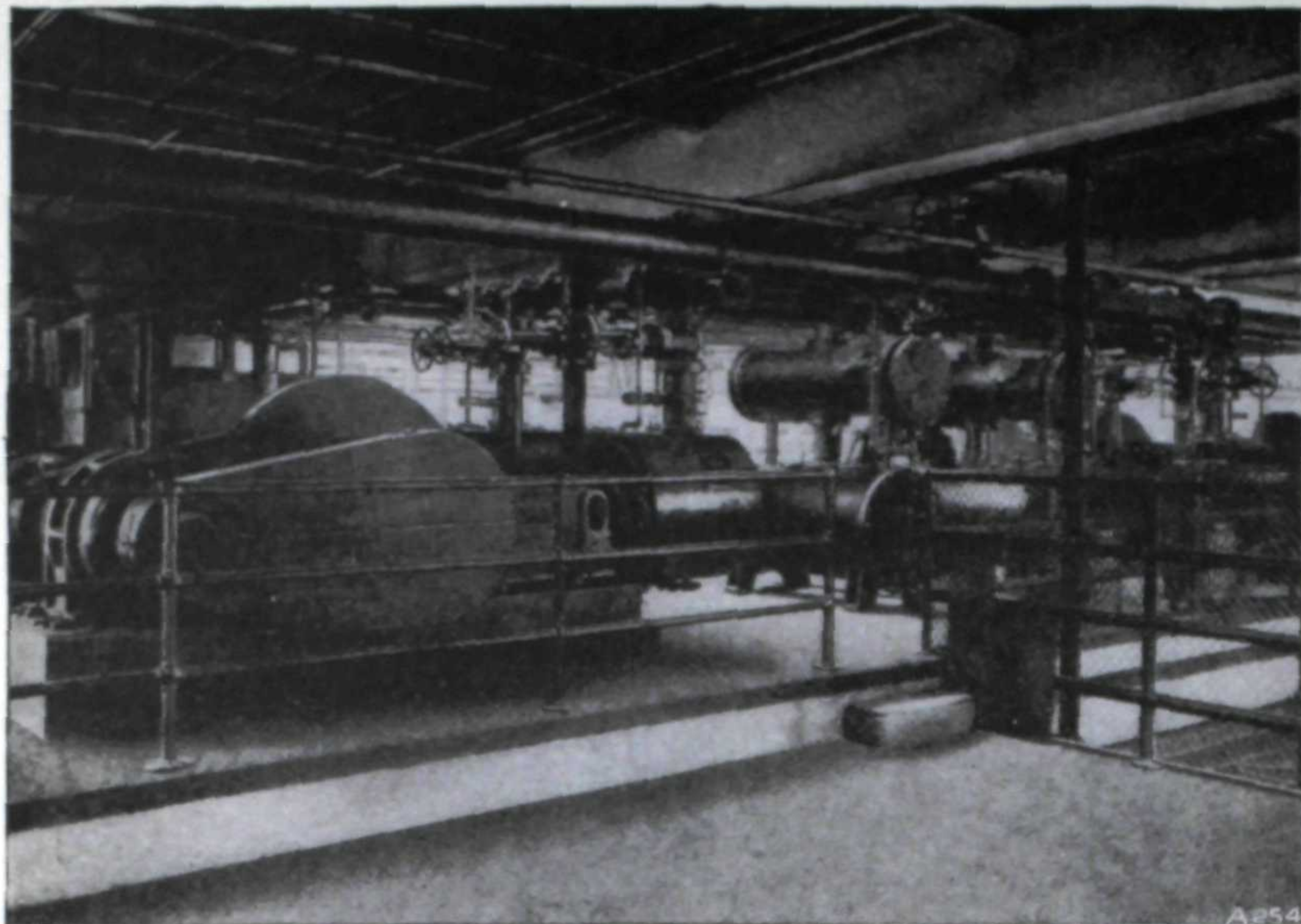
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other cities, has been but little affected by inaccessibility.

Need for new streets is an urgent necessity in some cities, however. This requires a city planning engineer as well as a street traffic engineer and in addition a workable financial plan. Above all there is necessity for immediate action. The longer the delay, the more the improvement will cost—and the greater the loss through the damage from street traffic congestion.

In this discussion, however, I want to limit myself to consideration of the use of present street traffic facilities. It is surprising how the same facilities, if properly used, can handle a greatly increased traffic load with much less confusion. For example, we have in Chicago a boulevard, Michigan Avenue, which passes by the east side of our "Loop," or business district. Traffic is well handled on Michigan Avenue by a system of synchronized lights—lights that go red, or green, all at the same time.

Automobiles move at the rate of twenty to twenty-five miles an hour, but because of the stops when the lights go red, they average in normal hours only about twelve miles an hour. When, and if, the system of light control is changed from synchronized to coordinated—so that the green lights go down the street in waves—permitting traffic to flow the length of the system without a stop, the traffic will move at approximately twenty miles an hour.

It is obvious that such a system, by decreasing the time that each automobile will be on the boulevard will greatly increase the capacity of the street. Furthermore, this can be done without interfering with cross traffic and adds many factors of safety. This is a definite example of how existing facilities may be used to greater advantage. That this particular improvement is still hanging fire in Chicago is the result of a peculiar local condition rather than of lack of interest on the part of the authorities.

#### Model Ordinance Is Helping

THE task of improving this use of the streets in any community has been made much simpler, as I have said before, through the creation of the Model Ordinance by the Hoover Committee in July, 1928. This incorporates the findings of the surveys which have been made in a number of important cities. It represents the best thought on every phase of regulation and in addition, if it can be generally adopted, will provide a most important and urgently needed uniformity of control.

The importance of this uniformity is apt to be underestimated. One day in the summer of 1927, I counted the licenses of 36 states and three Canadian provinces on the streets of Chicago. It was the day of the Dempsey-Tunney fight, by the way. It seemed as if a third of our automobile population was from outside of Illinois—and many of them were turning when they should not have been turning, were starting when they should have been stopping, were parking in the wrong



places or were holding up traffic asking what they could do.

That, of course, is an extreme case, but consider just what a few cars which do the wrong thing can do to traffic—without considering the danger involved. Then consider the advantages if all cities' regulations were the same. When all signs for one purpose are the same in all cities and all traffic officers work in the same way, it will be much safer and pleasanter for each one of us when on tour.

This traffic problem of ours is so great and is growing so rapidly that our best efforts will be required to keep abreast of it, or as we hope, a step ahead of it. As a foundation for this, we must have simple and uniform rules and regulations. The Uniform Vehicle Code for state enactment and the Model Municipal Traffic Ordinance for use of the cities and towns offer such a foundation. These two Acts, already prepared in definite form, should make the work of any committee handling this problem much simpler than it has ever been.

## An Englishman Views Our Selling

**I**NDUSTRIAL association for the dissemination of knowledge to the consumer is as much the "secret" of American wealth as the more advertised productive efficiency, declares Norman Angell in the *Investors Chronicle*, published in London. He takes the position that

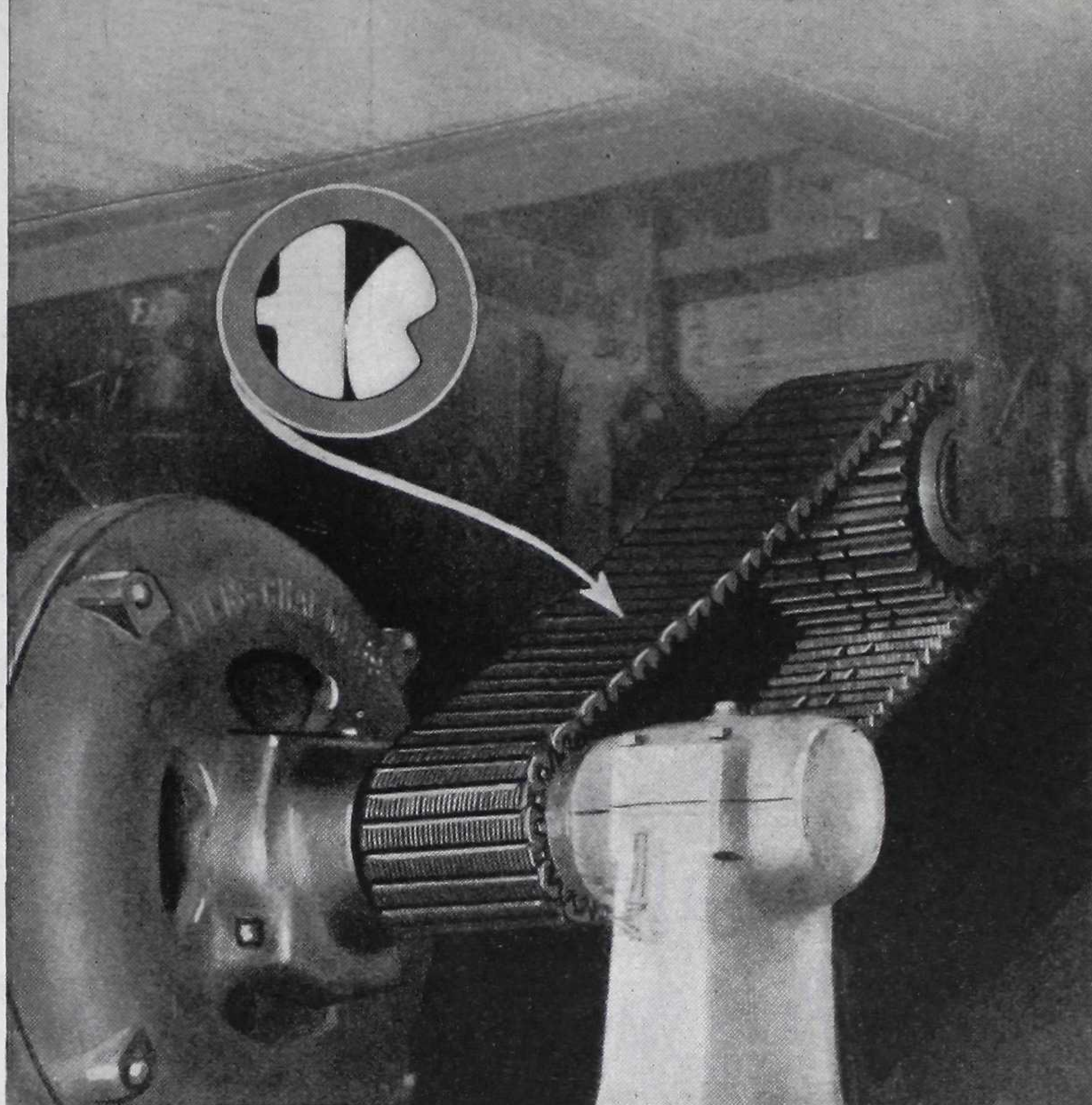
To get the full story we must consider efficiency in directing consumption, in rendering it more flexible. It is not merely by advertising and salesmanship in the narrow sense that the necessary contacts are made and the flexibility maintained.

Efforts like Woolworth stores is another way in which it is brought home to the ordinary man how industry can contribute to his capacity and comfort by pushing under his nose a multitude of gadgets which, while ridiculously inexpensive, are of some use to him. The Sears-Roebuck organization—a sort of glorified Army and Navy Stores selling things by post not merely or mainly to the well-to-do but to folk of working class status—is another.

Certainly these particular details do not of themselves account for much in the way of avoidance of overproduction troubles. But multiply these instances a few hundred times in a multitude of different forms and one has a factor of no negligible force. Especially is it true of the various ways in which industry combines to educate the public. Britain, which needs that form of industrial association so much more, seems to have it so much less.

It is a question, of course, whether high production is the cause or the effect of prosperity. But there can be no profitable quarrel with the economic consideration which recognizes that it is more to the point to know—having the "secret" of high production—why high production has not landed American industry in costly gluts and congestions.

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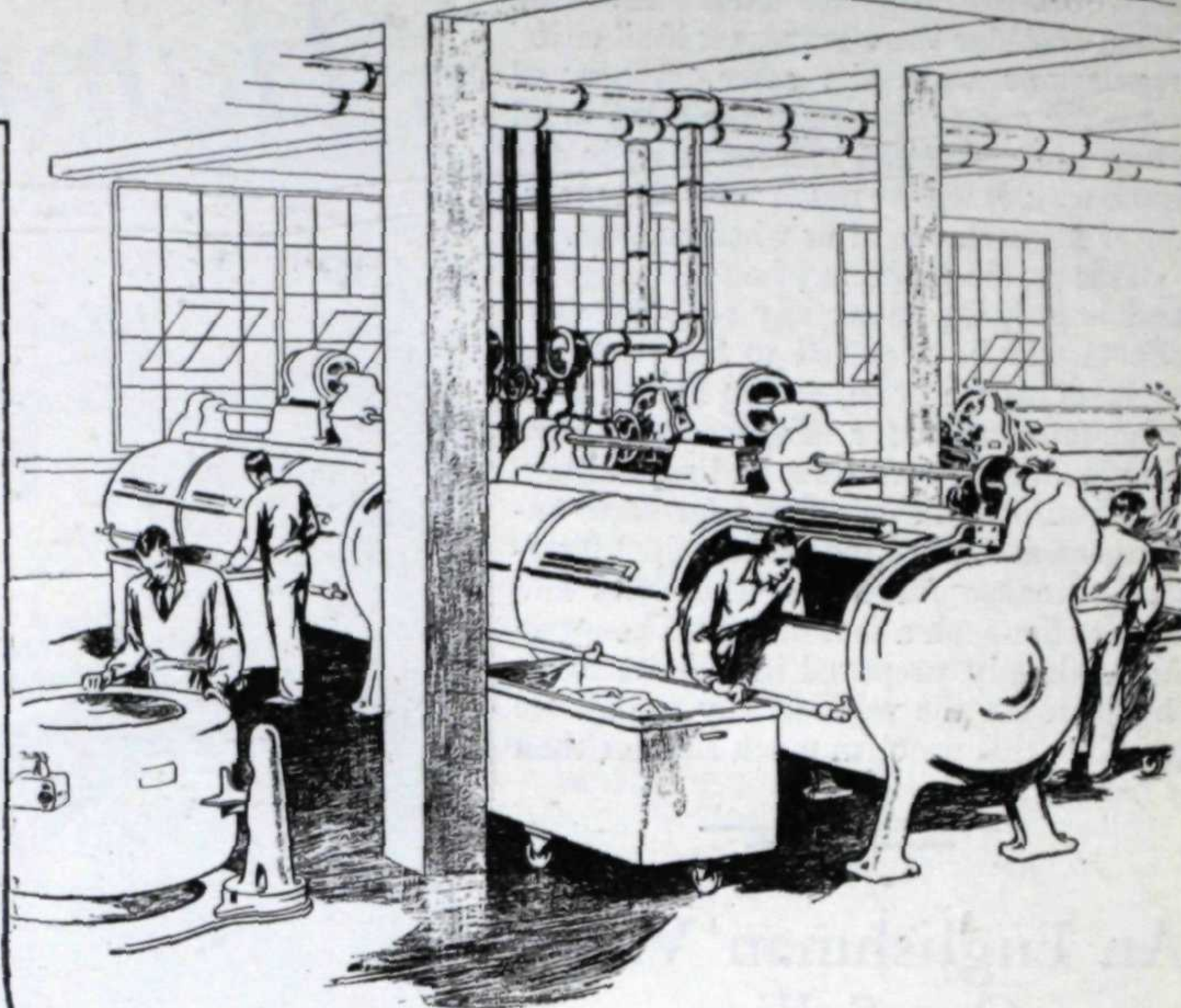
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# What the World of Finance Talks Of

By MERRYLE STANLEY RUKEYSER

**D**ECEMBER of all months is the time when business hears its master's voice.

By this time, the producers have done their heaviest work of the year, and the final allotment of the tokens of prosperity or adversity is in the hands of consumers. By sheer power of choice to favor some products or to ignore others, consumers are in the driver's seat, and can dictate the fashions and manners of business.

The appeal of Christmas shopping makes December the month of heaviest movement of goods into consumers' hands, and this is seasonally reflected in peak withdrawals of currency from the banks. Incidentally, the withdrawal of currency has the same temporary effect on the credit system as the loss of gold.

In January, however, there is normally a return flow of currency to the banks, and also a heavy liquidation of commercial and bank obligations by business men. January accordingly is the time for easy money.

Although the presidential election is over, the consumer has not lost his vote. He gets an opportunity to render his verdict every time he enters a store.

Waddill Catchings, partner of the investment banking firm of Goldman, Sachs & Company, and his collaborator, William T. Foster, have pointed out:

"In the domain of commerce, every human being has a vote every time he makes a purchase . . .

"Every day is election day. The buyer casts his vote wherever he goes. The votes are counted at once and with few errors; the cash register is as dependable

as the ballot box. Those in charge of the polls are dependable, too, for it pays them to have prompt and accurate record of the voters' choices.

"With his dollar the buyer votes for his representatives in production. He votes to continue in office those, and only those, who make the articles he buys."

With this new sense of responsibility, the Christmas shopper should use prudence and discrimination in swapping dollars for merchandise.

It is an interesting question for phi-

losophers as to just how free the consumer's choice really is. A young German banker, now residing in New York, remarked:

"I can earn more in America than anywhere else, but find it difficult to save more. Those wicked advertisements make me want so much."

**W**HOLE industries and great categories of investments are dependent on the whims of milady.

The older economist failed fully to appraise the effect of new vogues on the course of business. Paul H. Nystrom, sales specialist and professor of marketing at Columbia University, has written the "Economics of Fashion," a book which much needed to be written.

As the author points out, "fashion is one of the greatest forces in present-day life. It pervades every field and reaches every class. Fashion leads business and determines its direction. It has always been a factor in human life but never more forceful, never more influential, and never wider in scope than in the

color of the hose, the height of the heels.

"Fashion is a stronger factor than wear and tear in displacing automobiles, furniture, kitchen utensils, pianos, photographs, radio instruments and bath tubs. Fashion causes all of this and at the same time makes people like it. To be out of fashion is, indeed, to be out of the world."

**I**T IS hoped that no one under 35 will read this particular paragraph. It might have a deleterious effect on those of the plastic age. The scene took place in the offices of a reputable New York investment house of moderate size. The senior partner was conversing with a customer when his statistician, with his horn-rimmed spectacles and studious mien, came into the room. After speaking to him, the banker confided to the customer:

"There's the best statistician in New York. He gets \$10,000 a year, and, if necessary to hold him, I would pay him \$20,000, but he will never be a partner."

When the visitor inquired why not, the investment broker replied, "He's got too damned much initiative; he's always digging into new propositions and new opportunities. If he were in a position of authority, our firm would get in bad with many of our associated houses, for he would forever be impinging on their ground."

"Our policy is to sit back, and take things easy, participating in syndicate underwritings. Appreciating our policy, the larger underwriters several times a year drop into our laps propositions which they do not care to handle. We

find this policy very profitable, and do not intend to change it."

**I**NTEREST in the stock market has been at so high a pitch this year that even the highbrow magazines and the learned societies have been discussing the lane where, according to Garet Garrett, the money grows. The American Statistical Association recently devoted a session to a consideration of interest rates as determinants of security prices. Three authorities spoke; two violently disagreed

\*\*\*\*\*



UNDERWOOD AND UNDERWOOD, WASHINGTON

**PRESIDENT Coolidge is here opening phone service with Spain in a conversation with King Alfonso from the National Chamber building. Left to right: Senor Galaremendi; Acting Secretary of State Reuben Clark; the President; Walter S. Gifford, telephone executive; and Joseph H. DeFrees, Chairman of the Chamber's board**

\*\*\*\*\*

last decade and it gives every indication of growing still more important.

"Fashion makes men shave every day, wear shirts with collars attached, two-button sack suits, four-in-hand ties, soft gray felt hats, creased trousers, athletic underwear in winter and low shoes all the year 'round. It makes women wear less clothing than ever before in modern times. It changes the tint of the face powder, the odor of the perfume, the wave of the hair, the position of the waist line, the length of the skirt, the









## Today's Trend— SMALL TOWNS for Factory Locations

**T**HE necessity for locating manufacturing enterprises in big cities has largely disappeared. Present-day transportation facilities and widespread electric power distribution have marked the end of concentration of industry—and opened up to the manufacturer the tremendous advantages of the small town for factory location.

The small town factory avoids inflation of labor costs. Living is cheaper; a moderate wage scale buys more for the worker than high wages in the big city. Healthier workers, free from the fatiguing effects of a congested environment, are more productive and more efficient. In the small town the factory

pays less for land and less in taxes. It has greater space at lower cost, and room for expansion is readily available. Shipping and traffic congestion is avoided.

No better opportunity for cost reduction exists today than the elimination of the high toll of big-city congestion. The Middle West Utilities System, providing electric power to more than three thousand small and medium-sized communities, offers its assistance in determining advantageous locations for factories. Address *Industrial Development Department, Middle West Utilities Company, 72 West Adams Street, Chicago.*

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after the turn of the year, new disciplinary measures by the central banking authorities against the stock market may be anticipated.

During the Fall period, speculators have taken advantage of a breathing spell in the money market, which was assured because the Reserve authorities were temporarily more concerned with providing for the legitimate needs of business and agriculture than with restraining speculation. The country is now approaching the period when the Federal Reserve authorities will once more feel free to deal with the expansion of brokers' loans, as they did during the first third of the present year, when the Federal Reserve authorities authorized two increases in the rediscount rates and tightened up credit further through the sale of Government securities in the open market.

**A**DDITIONAL Federal Reserve credit was pumped into the money market during the Fall period chiefly through additional open market purchases of acceptances. Roy A. Young, governor of the Federal Reserve Board, indicated that he would consider an expansion of Reserve credit outstanding to \$300,000,000 normal. Open market purchases of acceptances by the Federal Reserve Banks rose from \$166,000,000 on August 1, to \$401,000,000 on October 24, whereas rediscounts and advances to member banks declined during this period from \$1,085,000,000 to \$913,000,000. The increase in acceptance bills represented machinery for financing the marketing of American crops to a large extent.

**T**HE relatively high interest rates in New York have, in accordance with economic theory, stopped the huge gold exports, which from September, 1927 to September, 1928 amounted to half a billion dollars, or about 11 per cent of the country's reserves.

The tide has turned, and recent imports from London alone amounted to \$15,000,000 by November 1. Banking authorities are inclined to believe that the maximum probable influx from London would be \$100,000,000. Such gold could be most effectively used to pay off member bank indebtedness at the Federal Reserve Banks, rather than to finance a new inflation.

**T**HOSE who are constitutionally inclined to view things with alarm believe that the tendency of American business to keep on establishing new high records is pathological. As a matter of fact, it is the normal trend.

The average American business shows a long term growth of about three per cent a year on the average. In years of prosperity, the annual gain is, of course, usually more, and in times of depression less. But the secular trend is upward, and the tops of 1928 are likely to seem puny in 1938. That is why the late J. Pierpont Morgan said he was a bull on America.

In the year now drawing to a close, the following measures of business activity





## Chris-Craft

### "The Pace Setter"

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Commercial Credit Service is international in scope. It blankets the North American continent with a chain of nearly four hundred offices. It reaches out to Europe and South America and is being extended to every market of the world where conditions justify its introduction.



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As fast or as slow as you want to go—with safety, luxuriant comfort and absolute dependability—Chris-Craft equals the motor car as a practical utility for commuter service.

And on the Commercial Credit plan, Chris-Craft is as easy to own as an automobile. Ask the nearest Chris-Craft dealer or any Commercial Credit office for details.

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COMMERCIAL CREDIT TRUST . . . Chicago  
COMMERCIAL CREDIT COMPANY, Inc., New Orleans  
COMMERCIAL CREDIT COMPANY . . . San Francisco

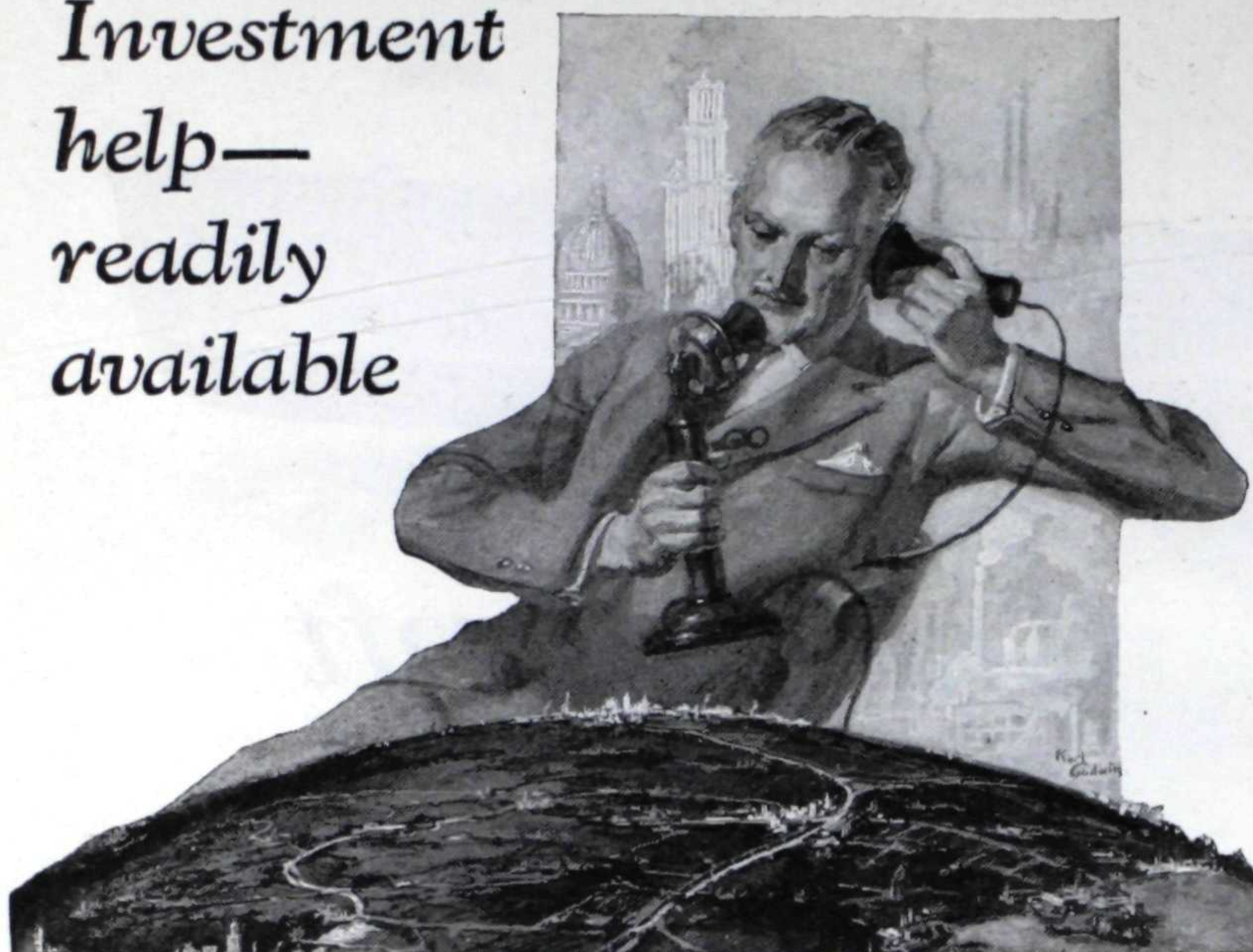
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available



A man needs sound advice for an investment decision. He gets it quickly through a call to the nearest National City office. This office is a unit in a country-wide system of similar offices in 50 American cities interconnected by 11,000 miles of private wires. It has contact as well with principal financial centers abroad. Whenever you have money to invest or want up-to-the-minute facts on your present holdings we invite you to make use of this equipment. Meanwhile let us send you our latest list covering a broad range of carefully investigated securities.



## The National City Company

*National City Bank Building, New York*

Offices or representatives in the principal cities of the United States, Canada, Europe, China, Japan, India, Australia, South America, Central America and the West Indies.

are likely to establish new high records, according to a compilation by the National City Bank: checks cashed at banks, industrial use of electric power, building construction, steel production, automobile production, agricultural implement output, copper production, tin deliveries to mills, cement production, flour milling, gasoline production, industrial use of rubber, industrial use of silk, industrial use of chemicals, rayon production, cigaret production, retail trade, electrical appliances output, airplane production, and motor boat output. The total output of farm products in 1928, if not of record breaking proportions, will prove exceptionally large.

THE New York Stock Exchange has been the most untiring foe of the bucket shops. It has long recognized that the stock in trade of such pseudo-brokers consisted of security quotations. Accordingly, the Stock Exchange has established in the courts its property rights in such quotations, and has succeeded in keeping them from the bucket shops.

The Western Union Company, which has exclusive distributive rights to such quotations north of Fulton Street, New York, has actively cooperated with the Stock Exchange in giving the ticker service only to those approved by the bourse.

If the legal obstacles could be overcome, the telephone companies could enormously aid in the campaign against security charlatans, many of whom operate over a network of telephones. As a practical business matter, the telephone companies are embarrassed by such patronage. Catering to high-pressure brokers frequently entails setting up expensive additional equipment and wires, and this expansion would be profitable only if reasonably permanent. However, such brokers are notoriously fly-by-nights, and they shift their whereabouts with great rapidity.

The Post Office refuses the use of the mails to those who have been convicted of frauds. If the telephone service could be denied to blue-sky operators and bucketeers, legitimate business and the investing public would be benefited.

As a matter of fact, the telephone company is chary in extending credit to questionable brokers, some of whom run up amazingly large telephone bills.

IT IS of course, part of the American credo that the big bankers of Wall Street always know far in advance precisely what the stock market is going to do. In practice, such prevision frequently is only a myth.

Bankers like others, make errors of omission and commission, though, unless their batting average is reasonably high, they are unlikely to hold high office for long periods. As the head of one of the large New York trust companies remarked in conversation:

"We do not even know in advance how our own business decisions will turn out in the bank. Much of our work is necessarily experimental. We are dealing with situations that are just in the process

## Eat and Be Well!

A condensed set of health rules—many of which may be easily followed right in your own home, or while traveling. You will find in this little book a wealth of information about food elements and their relation to physical welfare.

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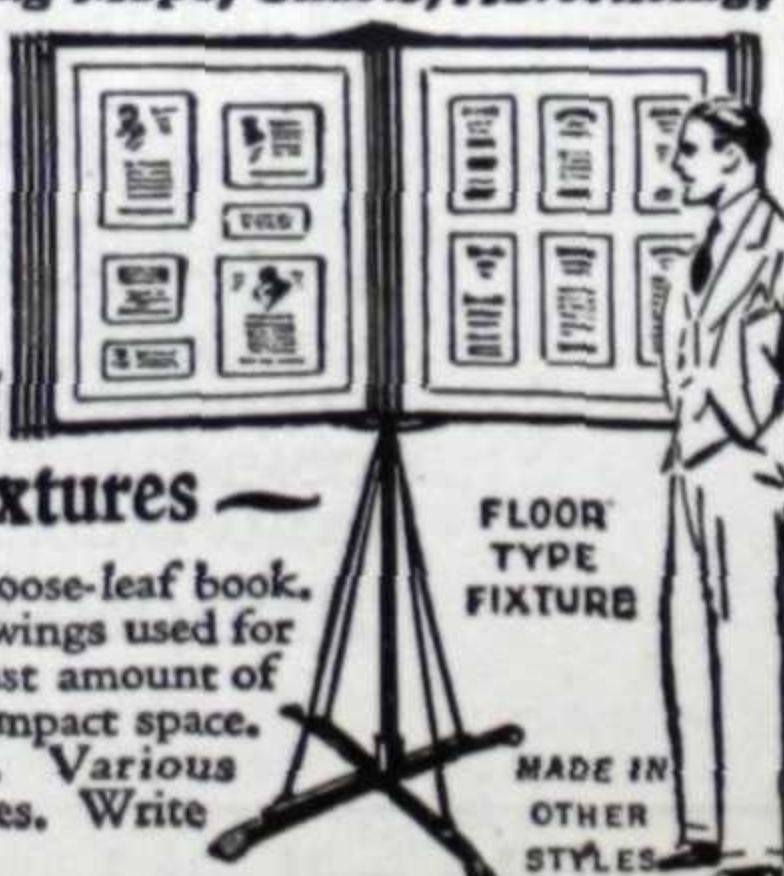


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of unfolding themselves, and must necessarily act partly on surmise as well as on facts."

**F** E. MOSKOVICS, president of the Stutz Motor Car Company, included in the list of business virtues the following:

"Love for his job to the extent that he prefers his job to doing anything else in the world."

This specification is interesting. The striking aspect of formulas for success is that many individuals rise meteorically while violating the copy book rules.

For example, a banker who won a Morgan partnership, once confided to me after entertaining a college classmate who was a rancher that he envied the ranchman's mode of living.

**W** RANDOLPH BURGESS, the assistant Federal Reserve Agent of the Federal Reserve Bank of New York, recently observed that Wall Street financiers are currently expressing their views in the form of proverbs. The bulls say, "You can't keep a squirrel on the ground," whereas the bears contend, "Trees never grow up to heaven."

**A** New York lawyer, who frequently advises clients on investments, took lunch the other day with a professional investment counsellor. They began to discuss common stocks as long-term investments, and, though conceding the importance of correct timing of common stock purchases, took out pencils and set about to compile a diversified list of 20 common stocks that seemed to hold out a future.

The test of such a list is perhaps how it will stand up in five or ten years. It would perhaps be interesting mental gymnastics for readers to compile their own lists, and check up on them in future years. Here is the list that those two men chose:

Railroads—Atchison, Topeka & Santa Fe, Northern Pacific, Southern Pacific, and Pennsylvania.

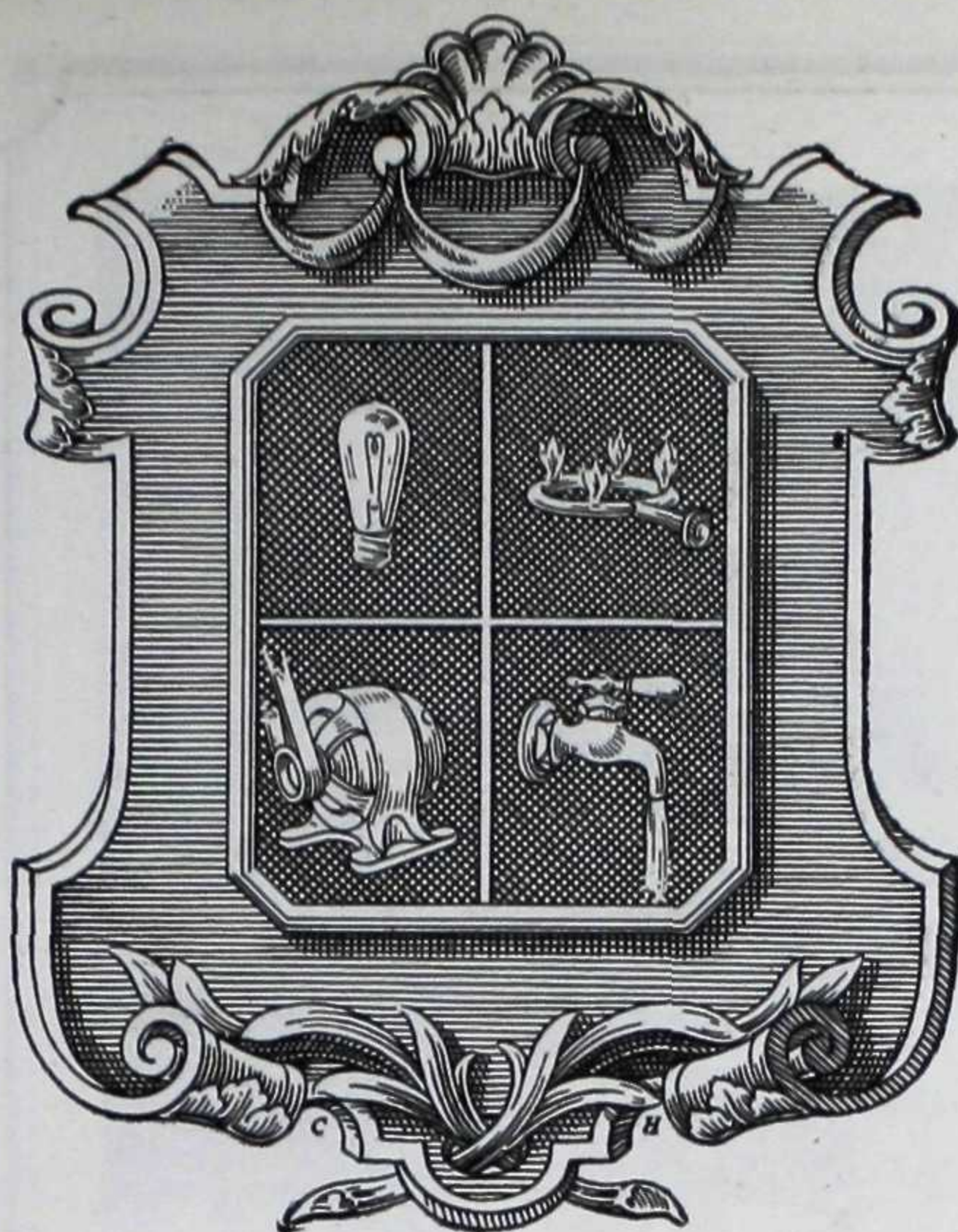
Industrials—Fleischman, Sears, Roebuck & Company, F. W. Woolworth Company, General Motors, and Standard Oil of New Jersey.

Public Utilities—United Gas & Improvement Company, Electric Bond & Share, North American Company, American Telephone & Telegraph Company, International Telephone & Telegraph Company, and New York Steam Company.

Banks—National City Bank of New York, Bankers Trust Company, and National Bank of Commerce.

Insurance—Continental Insurance Company.

**T**HE stock market averages are somewhat misleading, because most of them are overweighted with favored shares. Accordingly, toward the middle of the Autumn, when industrial averages stood at the highest peak for all times, many individual stocks were selling far below the best levels of the year. Short-



## The Four Fundamentals of home and factory

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The world-wide network of The Equitable's correspondents can be employed by exporters through the district representatives listed at the right. Inquiries relating to specific needs, or for general information, will be welcomed.



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Total resources more than \$500,000,000

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ly before November 1, when the industrial average was still at or near the top, the subjoined stocks showed the following losses from the year's best prices:

	Year's Top	Decline
Adams Express.....	110	86
Bayuk Cigar.....	140	39
Detroit Edison.....	220	28
Gr. Cananea Copper.....	164	25
Freeport, Texas.....	109	64
Hocking Valley.....	440	75
Houston Oil.....	167	30
Indian Motorcycle.....	70	46
International Silver.....	196	45
Liggett & Myers "B".....	123	35
Midland Steel Prod. Pfd..	290	60
Motor Products.....	218	68
N. Y. & Harlem.....	505	240
U. S. Rubber 1st Pfd.....	109	41
Warner Bros. "A".....	139	27
Warren Bros.....	192	49
Wright Aero.....	245	81
Aero Supply Mfg. "A"....	75	38
Am. Mfg.....	80	37
Bancitaly .....	223	103
Casein Co.....	226	61
Celanese Corp.....	103	45
Electric Bond & Share Securities Corp.....	139	28
Ford Motor of Canada...	698	103

STATEMENT of the Ownership, Management, Circulation, etc., required by the Act of Congress of August 24, 1912, of Nation's Business, published monthly at Washington, D. C., for October 1, 1928.

City of Washington, District of Columbia, ss. Before me, a Notary Public in and for the State and county aforesaid, personally appeared Merle Thorpe who, having been duly sworn according to law, deposes and says that he is the Editor of the Nation's Business and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, Chamber of Commerce of the United States, Washington, D. C.; Editor, Merle Thorpe, Washington, D. C.; Managing Editor, J. W. Bishop, Washington, D. C.; Business Manager, J. B. Wyckoff, Washington, D. C.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one per cent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.) Chamber of Commerce of the United States of America, said body being an incorporated organization under the laws of the District of Columbia, its activities being governed by a Board of Directors. The officers are as follows:

President, William Butterworth, President, Deere & Company, Moline, Illinois. Vice Presidents: A. J. Brosseau, President, Mack Trucks, Inc., 25 Broadway, New York, N. Y.; Robert P. Lamont, President, American Steel Foundries, 410 N. Michigan Avenue, Chicago, Illinois; Robert R. Ellis, President, Hessig-Ellis Drug Company, Memphis, Tenn.; Paul Shoup, Executive Vice President, Southern Pacific Company, San Francisco, Calif. Treasurer, John Joy Edson, Chairman of the Board, Washington Loan and Trust Co., Washington, D. C. (Mail to 915 F St.) Secretary, D. A. Skinner, U. S. Chamber of Commerce, Washington, D. C.

3. That the known bondholders, mortgages, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.) None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

MERLE THORPE,

Signature of Editor and Publisher.

Sworn to and subscribed before me this 27th day of September, 1928.

(Seal)

WALTER HARTLEY,

Notary Public.

District of Columbia.

(My commission expires Sept. 10, 1932.)



## Dinosaurs and Dumpers

(Continued from page 34)

was car 56,493—capacity 120,000 pounds—a veteran of many trips from mine to dumper.

"What are they going to do with me now?" creaked 123,462, as it jolted along. "I don't like the looks of that ugly steel frame thing up there. Looks like it chews up cars for dinner."

"It eats coal all right," clattered 56,493, "gobbles all you carry like nobody's business. But it won't hurt you, none, kid. All you're gonna get is a nice ride."

The starter put his starting bar under the wheels of the new car and set it rolling down the incline from the hump, with the car rider at the brakes.

### A Miniature Car-Shifter

AT THE bottom the rider tightened the shoes and 123,462 came to a stop over a pit. Down the rails from the dumper shot "the pig"—nickname for the cable-controlled shunt which pushes cars into the maw of the dumper. A good nickname, too, for it looks more like a razorback hog than anything else, and powerful as it is, the pig is only eight or nine feet long.

Yanked by its cable the pig ducked under the new car into the pit below, emerged on the other side, and struck a switch. Its wheels shot apart. The cable on its other end tightened, the pig came back, its stubby snout gently bumped the open couplers of 123,462, and that car found itself being shoved up the incline toward the dumper. The little pig, this time straddling the pit on the full gauge track, easily shunted the big steel car with its hundred tons of coal up that 25 or 30 per cent grade to the dumper. There was an 800 horsepower engine at the pulling end of the pig's cable.

"Sorry," apologized 123,462, as it bumped the empty car on the track at the top, "this little guy back of me shoved me."

"'S all right, buddy," rattled the empty, as the jolt started him down the incline on the other side, "that bump's part of the job. You'll see."

The pig pushed 123,462 over a break in the rails. The stopper shoved his chunk under the wheels and stopped the car in the middle of the huge cradle that lifts the cars to the tippie. The rider set his brakes, tight.

Suddenly 123,462 felt the track on which he stood move sidewise as the sliding platen brought him in contact with the bumpers of the cradle. Four clamps gripped the edges of his steel side. Then the track on which he stood began to rise.

"Quit trembling, kid," rumbled the cage as its counter-weighted cables pulled it aloft. "You're only 100 tons an' I'm built to handle 120 tons."

The cradle reached the top edge of the "pan" or chute into which the contents of a car are dumped. Now 123,462 felt himself being tilted over that edge. He



## Governments see the light—

That the ballrooms of Versailles might blaze with myriad lights, a despotic king taxed the windows and the candles of the poor, so that they sat in darkness.

This was cruel extortion.

Modern governments require the furnishing to all the people of such basic needs as light, water, and energy, upon terms just, both to the producer and to the customer.

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Nothing has contributed more to the usefulness and stability of our subsidiaries in the sixteen states where they operate than the protection given by this assurance of fair pay in return for good service.

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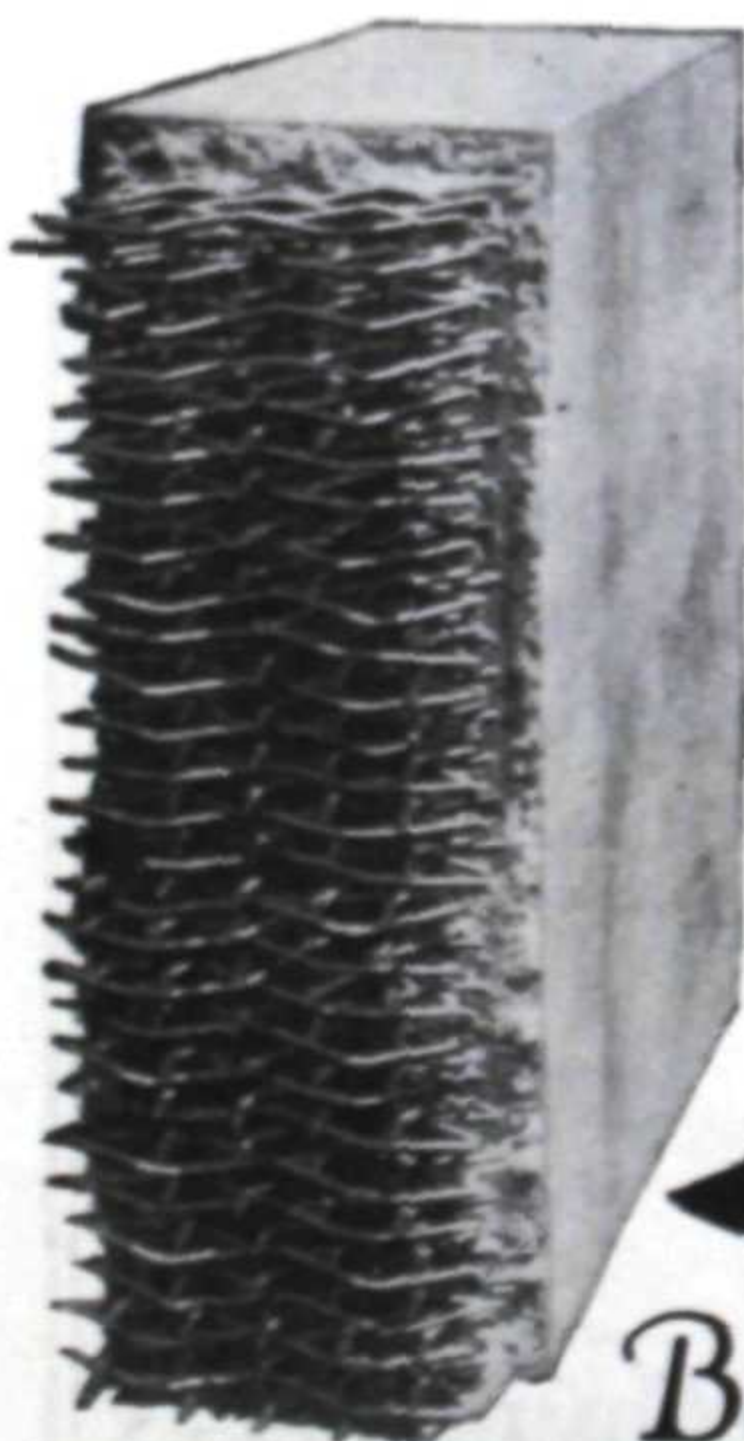
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shivered. But the clamps on his edge held. The cradle turned upside down, and so, of course did 123,462. With a roar, 123,462's hundred tons of coal tumbled into that wide mouthed triangular pan and into the chute and "spout" or telescope that led into the ship's hold.

The cradle righted itself, 123,462 felt the cradle sinking beneath him, and found himself presently at track level again. The side clamps were released and the pig shoved a full car against him just as the rider released his brakes.

That jolt started him down the further incline. He gathered speed down the hill, rolled up another incline (the kick back), stopped at the top, then gravity again switched his course, he rolled into a switch and on down into the empties' yard. His trip had taken about a minute.

But there are a lot of things about a coal dumper that a coal car, however observant and intelligent—if you can imagine a coal car being either—couldn't possibly learn.

The best place to see these things is in the tipple house, where two men, the pig-man and the tipple-man, attend to bringing up the cars and dumping them. The tipple house is up at the edge of the pan where the cradle turns over.

At one end stands the pig-man, who pulls the levers that control the movements of that powerful little pig. Under his feet is a hole through which he can see the cradle below, and when he gives the word the tipple-man pulls *his* levers, elevates the cradle, dumps the cars, and brings them down. The pig-man pulls a lever, the pig brings up a full car, bumps the empty off the cradle with it, pushes the full car on the cradle; the pig-man pulls another lever, the pig backs up, its wheels hit a switch and squeeze together, and on the narrow gauge track again it ducks into its pit ready for another car. down in the hoist house a fireman, an engineer and an oiler keep up the power.

### Loads Coal Dustlessly

**A**ND now take a look at Number Three in the triumvirate which dumps and handles about a car a minute. Number Three is the spout-man. He sits in a cabin a few feet above the mouth of the telescopic spout that slips through the hatches. The hundred tons of coal from 123,462 have just roared into the pan and down into the spout. The hold of the *Horace Salter* is bare. The spout-man pulls a lever, the square spout lengthens till it hangs only a foot or two from the bottom of the hold. The spout-man opens the gate and out pours the coal. As the pile reaches the mouth of the spout he pulls other levers that lift the pan and shorten the spout. And so, with almost no noise, with a minimum of dust, the coal is neatly tucked in the hold. He can swing the spout from one side to the other of the ship, and doing so he can trim the coal even with the hatch sides.

Well, that's partially how a car-dumper dumps. But really to understand how they do it you've got to go back to the days of James Watt and figure in the inventive genius of scientists and steel makers.



## A Look Back— and Ahead

(Continued from page 37)

store of reading matter at his elbow as has no other individual in the world.

With a solid mass of millions of possible readers such as America possesses it becomes commercially practicable to spend vast sums in producing high class magazines. They exist nowhere else in the world in such numbers. Other national reading groups are smaller and could not support them. No other people advertise as do Americans and this finances publication.

American newspapers perform the daily miracle of mirroring world events as do no others because they alone have the necessary huge incomes.

The wealth that brings these advantages to America continues to accrue. The latest compiled figure places our national wealth at 350 billion dollars. That is an amount beyond comprehension. A bit of a measure of it can be had by comparing it with the national wealth of other countries. That of the United Kingdom, for instance, is 121 billions, of Germany 75 billions, of France 58 billions, of Italy 25 billions, of Japan 53 billions. These five countries aggregate 332 billions. Thus it appears that the national wealth of the United States is greater than that of the five next most important nations combined.

### From Debtor to Creditor

WHEN the World War came in 1914 the United States was the greatest debtor nation the world had ever known. It owed some five billion dollars abroad. Now it is a creditor nation. It loans colossal sums abroad. In the single year of 1927 a billion and a half of American money was placed outside its borders.

Since 1914 we have bought back four out of the five billion dollars' worth of our securities owned abroad. In addition we have purchased foreign securities to the amount of about 13 billions. Thus is our position 17 billions better than it was. The debt of foreign governments to this government now amounts to ten billions which means that the total of transfer from debit to credit has been around 27 billions. This is an extraordinary transformation from our modest financial position of a decade and a half ago and it contributes to these magnificent times.

The Federal Reserve Act, which became a law December 23, 1913, has done more than any other one thing to stabilize our financial system, to prevent booms and slumps, and to make possible the extension of banking credit for the expansion of our industrial activities.

Calamity howlers no longer assert that the rich are growing richer and the poor are growing poorer; for today it is universally conceded that while the rich are growing rich, the poor are also growing richer.

One of the most reassuring aspects of

# FLOWERS

*reflect the true spirit*

# of CHRISTMAS

Bright blossoms and fresh growing plants . . . . . how perfectly they symbolize this sparkling season! This year give flowers, the gift that truly says "A Merry Christmas to You."



Be among those who Say it with Flowers this Christmas







**O**LD buildings have been scrapped to make way for the new 34-story Baltimore Trust Building, a monument of steel and brick and stone that will tower 500 feet above the city's streets—an enduring landmark of what has been for generations Baltimore's business and financial center.

There is a world-old maxim that men who succeed locate where the crowds move and the trade flows. Those who, appreciating its strategic location, are fortunate enough to establish their business home in the Baltimore Trust Building will enjoy a distinction that will prove a valuable asset.

*Ready for occupancy about November 1, 1929*

## BALTIMORE TRUST COMPANY

BALTIMORE LIGHT AND REDWOOD STREETS



### The Ship of Health

*Keep Her Sailing*

### Buy Christmas Seals

The National, State and Local Tuberculosis Associations

recent evolutionary changes in our national life is the wide distribution of the wealth of the country through employee ownership, consumer ownership and investor ownership. The wage earners of the United States owned in 1926 more than three-quarters of a billion dollars' worth of stocks in industries in which they were employed. Evidence of increased income of the wage earner is found in the report of our savings banks, which show deposits in 1927 of nearly \$9,750,000,000 with about 15 million depositors.

Working conditions have been much improved in recent years. Employers' welfare work has contributed greatly to the comfort and health of wage earners.

These are a few of the miracles of daily life in 1928 in the United States, yet how few stop to appreciate them and give thanks to the government, under which the exercise of our creative faculties has had free play.

#### Government Helps Prosperity

**I**N America we have so long enjoyed the benefits of good government that we are likely to fail to realize how dependent our being is upon it. While good government may not in itself assure prosperity, bad government will at least hinder if not prevent it.

The failure of a government to provide a stable currency, for instance, may pauperize a whole people. There have been recent notable examples of just this. Yet how secure has been the position of the United States, with four billion dollars' worth of gold, about half of the monetary gold of the world, piled up in her coffers to guarantee the face value of her currency.

One of the most hopeful signs of the times is the undoubted improvement in the code of business ethics. Business today recognizes that a higher standard in the conduct of business concerns towards one another is imperative, and, what is even more important, business recognizes its obligation to render public service to its customers.

All about us are evidences of recent accomplishment. This last decade has been a period of unexampled fruition. The United States is coming into its own, economically, politically, socially, and we have every reason to hope, spiritually.

It is the greatest going concern of all the ages and is today, from the standpoint of the past, at its best. There is every reasonable expectation, however, that tomorrow will be greater than today. It is beyond conception that America should do other than continue in her even course to ever greater prosperity and greater accomplishment.

The generation that is to come should be to this as this has been to that which is gone. So rapidly are the marvels unfolding themselves that merely to live in these vital days is a privilege to him who has an eye for viewing the parade of events as the reel of days unwinds itself.



# Are your walls sponges?



**W**HITE ceilings and walls act as reflectors of light rays. *Dark ceilings, walls and draperies absorb light, as sponges absorb moisture.* Are you getting all the light you pay for, or are dark surfaces absorbing a large percentage of it?

Good lighting is a sign of good management. Empty sockets and dark surfaces are expensive. Examine your lighting, then write to Division A 6 of the Edison Lighting Institute at Harrison, N. J., and we will

send you free the results of our engineers' investigations concerning the lighting of your *particular* kind of business.

Edison MAZDA Lamps represent the latest achievements of MAZDA\* Service, through which the benefits of world-wide research and experiment in the Laboratories of General Electric are given exclusively to lamp manufacturers entitled to use the name MAZDA.



\*MAZDA—the mark of a research service

# EDISON MAZDA LAMPS

GENERAL  ELECTRIC



## **F**urniture is a Southern Industry which now is supplying world marts

Lumber and naval stores are basic commodities. The South makes possible abundant American supply of both. It produces about half this country's lumber and all of its rosin and turpentine.

But the South sells no longer just raw products. Southern factories are producing annually about \$150,000,000 worth of furniture, including much of America's finest. North Carolina's furniture industry now equals or exceeds Michigan's in value . . . the fame of Grand Rapids notwithstanding.

Southern industries are numerous and varied. They account for much of our National wealth; in many lines, they contribute, decisively, to America's industrial supremacy. They enjoy great natural advantages.

Sound Southern securities are today the promising American investments. Let us send you details of "Shares in The South, Inc.," an investment trust operated to share in growing, diversified Southern enterprises.

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Rogers Caldwell & Co., Inc.  
150 Broadway, New York

★ *Christmas Gift for a  
Business Friend?*

SEE PAGE 159

## **"Banker Control"— a Myth**

(Continued from page 16)

rent performance of the management, a service of which no formal method has been devised since the passing of the personal proprietorship.

At best, the banker's part in business is advisory and inspectional. The vital responsibility for the success of the business rests upon the shoulders of management itself.

It is perfectly true that bankers can, and frequently do, exercise what is called a constructive attitude toward important public financing, which means that every legitimate proposition will be given a fair chance, especially if the proposition aims at the improvement of the community. The exact point at which the banker draws the line between his duty as a public servant and his duty to his depositors, must, in the long run, be left to his own discretion.

### **Security Is Necessary**

**T**HE banks are not deaf to any legitimate call for credit. And by "legitimate" I mean to imply the consideration of security. This ruling consideration inevitably promotes the public interest. It is the gyroscope that keeps the country's commerce on an even keel. It is the principle that underlies not only individual and corporate financing, but the financing of the Government itself.

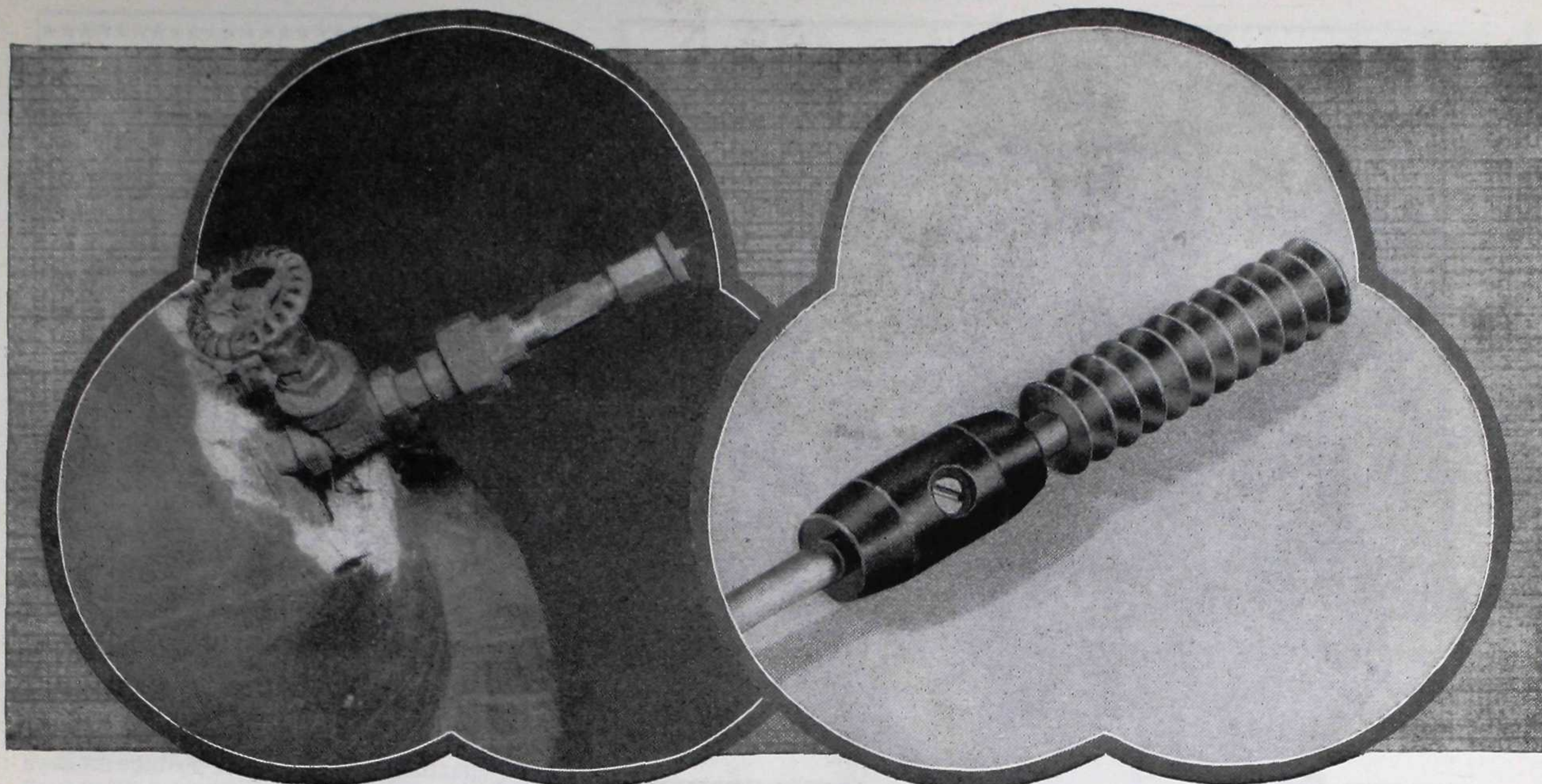
If you look at a dollar bill, you will see this last exemplified in the inscription, "This certifies that there has been deposited in the Treasury of the United States of America one silver dollar payable to the bearer on demand."

In the United States there are nearly 30,000 banking institutions, counting national and state banks and trust companies, with combined total resources of \$65,000,000,000. In the main these resources represent the savings and wealth of people, rich and poor, which they have entrusted to the banks. It is a grave responsibility and one which no worthwhile banker views lightly.

The tangible wealth and credit represented in these institutions are directly responsive to and measured by the requirements of a nation which has an annual aggregate commercial and business turnover only partially measured by bank clearings running up to \$555,000,000,000 in a single year. In order that this gigantic sum of transaction may be carried on smoothly and without economic friction the vast machinery of banking has been built up.

Viewing the banks in the light of their significance to the whole structure of economics, the stories related about them are nothing less than absurd. Viewing them in the light of the necessary precautions in the interest of the depositors and the sound development of the community, there is little justification for the opinion that banks exert an undue measure of influence and dominance over the business of the nation.





Corrosion Detector in use, and its shaft with Bakelite Molded insulator. Thousands of these are being put into service by Cyrus Wm. Rice & Co., Chemical Engineers, Pittsburgh, Pa.

## Corrosion and erosion prevented through using Bakelite Molded

**A** CORROSION detector is a device used for detecting the presence of oil, chemicals, dissolved oxygen, carbon dioxide, or other foreign matter in boiler feed water systems. The steel shaft, which is suspended in the feed water line, must be effectively insulated from the other parts of the device.

To prevent electrolysis the insulator must possess excellent dielectric properties. In addition the material used must resist the corrosive action of chemicals in the feed water, as well as high aqueous temperatures. Wood was first used for the purpose, but Bakelite Molded was found to be superior.

Bakelite Molded not only possesses all of the required properties, but is also harder, smoother, cleaner, and better

looking. Notwithstanding their many advantages the Bakelite Molded parts cost less than one-third of that of the wood ones formerly used. Bakelite Molded is being used for producing thousands of different parts, in hundreds of different industries. Its advantages and uses are described in Booklet 42M., "Bakelite Molded," a copy of which will be mailed promptly on request.

### Bakelite Engineering Service

Intimate knowledge of thousands of varied applications of Bakelite Materials combined with eighteen years' experience in the development of phenol resinoids for industrial uses provides a valuable background for the cooperation offered by our engineers and research laboratories.

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## HUMAN NATURE IN BUSINESS



By FRED C. KELLY

A FRIEND of mine about to buy a railroad ticket in a big union station discovered that he had carried away his hotel room key. The tag on the key bore an inscription which bade him drop the key into the nearest mail box. (Nearly all hotels, of course, have an arrangement with the Post Office Department to guarantee postage on keys thus deposited without stamps in a mail box.) My friend went to the box but, instead of dropping in the key, he put in his ticket.

The ticket was in his right hand, the key in his left hand, and it just seemed more natural to let go of the pasteboard even though it was small and worth nearly \$9.

When this traveler returned to the ticket window for another ticket, the agent there showed no surprise.

"People often make that mistake," he said. "I suppose it doesn't seem logical to drop a piece of metal into a mail box when you're used to putting in paper."

A DOCTOR says that business methods in his profession have changed because the level of education and general intelligence is higher than it was a generation ago.

Even the average reputable doctor a few years ago was as mysterious as a Hindu fakir. It was possible for a doctor to assume more wisdom than he really had, because he did in fact possess more than most of his patients. But today the reverse is true.

A doctor's education is specialized rather than general. His work in medicine takes so much time that he is more or less shut off from cultural studies available to those having greater leisure. Anyone able to buy the services of a high-priced doctor probably possesses far greater general knowledge than the doctor does. Hence, a doctor knows that it is unwise to try to impress his patients by old-fashioned hokum because they would see through him. He would only make himself ridiculous.

A SALES manager of my acquaintance who has been successful because of a rare gift for picking the right men, makes this comment:

"I have noticed that four-flushers in business may be divided into three



classes: 1. Those who fool others but know what they're about and do not fool themselves. 2. Those who fool both themselves and others. 3. Those who fool themselves but fail to fool anybody else."

**I**N ONE of the largest automobile factories, it was discovered last year that the smallest labor turnover was in a group of employees obtained from a school for the feeble-minded.

The work they were doing did not require a high order of intelligence and they were happy in not being obliged to do much thinking for themselves.

Contented, always on the job, unlikely to quit, doing good work, and with no inclination to stir up trouble, they were in many respects ideal employees.

**A** NEWSPAPER photographer reports that when he asks a prominent man to step out and pose for a picture and the man refuses, he can always get him by saying it is to be a group picture.

Then if the others of the group fail to arrive—and the photographer perhaps knows they won't be on hand—the victim can be induced to pose alone.

The explanation is that most prominent men secretly like to be photographed but do not want to be too ready to pose lest it be evident that they like to do it.

**A** BOND salesman says that, next to Army and Navy officers, the men most fussy about their titles are bankers. It is a serious error to refer to an "executive vice president" of a bank merely as a vice president.

**I** HAVE noticed recently a New York banker friend working a new trick to handle callers quickly. He leaves the door of his private office ajar and when he sees anybody waiting for him who might be tedious or who might want a favor not easily granted, he rushes out to greet the caller.

"Hello, Tom," he says, "I happened to see you come in and thought I would save you having to wait your turn. What's on your mind?"

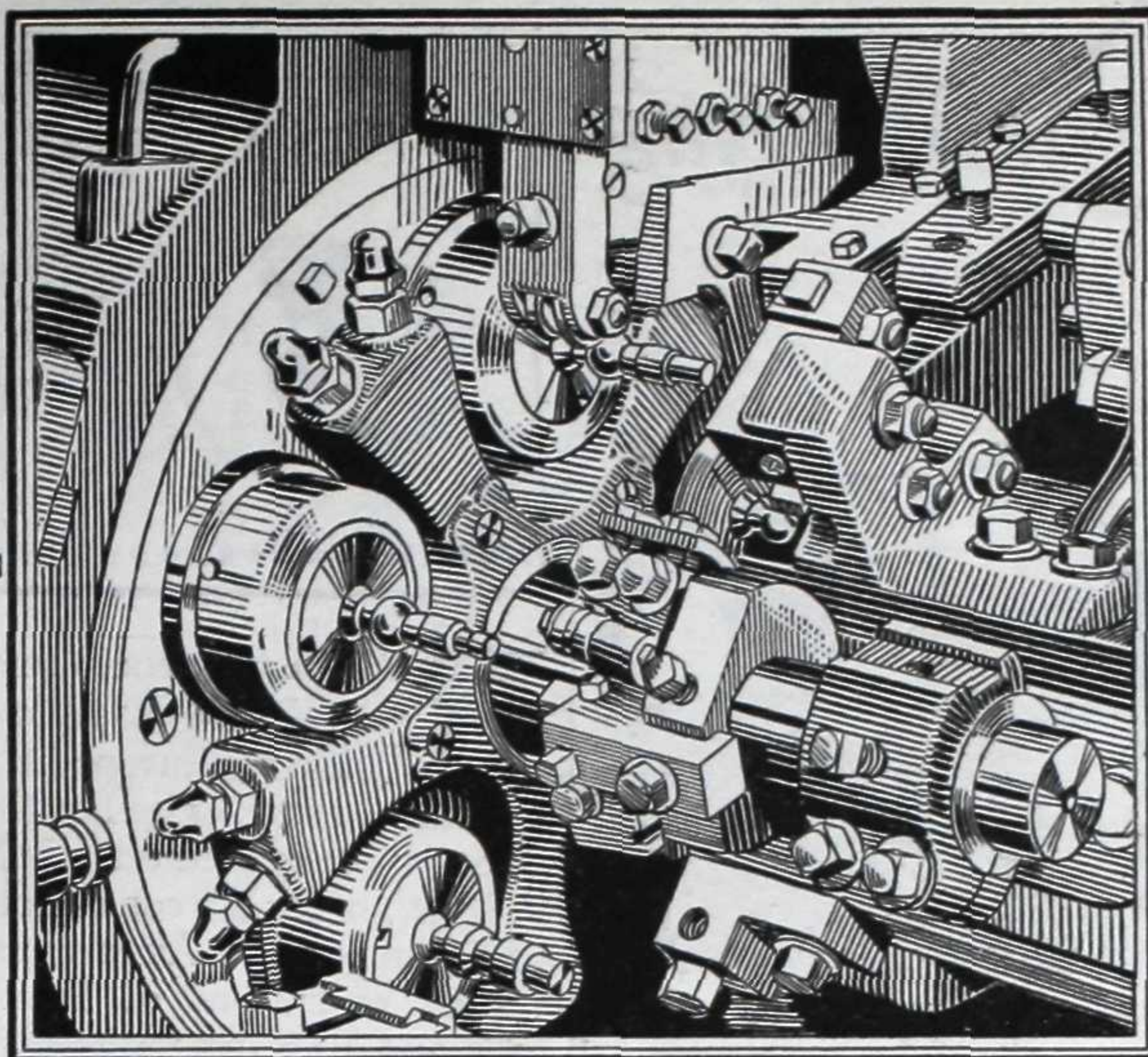
Thus asked to state his errand in such informal manner, with others standing about, and without even a chair to sink back in and gain confidence, the caller probably doesn't ask as much as he had planned to.

**A** PUBLICITY man took a job with a corporation recently and when he saw a chance to get into the newspapers in a good light, he talked to his employers about which one should give out an interview. But they said:

"No, we want the more refined kind of publicity. Make it appear that we would rather stay out of the papers entirely. Newspapers today hanker more and more for the fellow who appears to be aloof and trying to keep out of the public eye."

**I** ALSO notice an increasing number of business men who keep callers waiting, even when not much occupied, just to give the impression that they are always incredibly busy.

USE THE RIGHT STEEL FOR THE RIGHT PURPOSE



## Rapid and Uniform Machinability

**P**RODUCTION problems involving machining of cold finished steel demand consideration of physical properties, ease of cutting and uniformity of structure.

Union Free Cut Bessemer excels in each of these important requirements. It is far superior to common grades of Bessemer, is highly uniform in quality, assures a better finished product and a greater speed of out-put.

It is a special steel developed by this organization to promote new economies and improvements in manufacture.

UNION DRAWN STEEL CO.  
*Beaver Falls, Pa.*

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STEELS



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Down  
to  
Sunny **St. Petersburg**  
FLORIDA



## Resort Center of the Gulf Coast

**F**OR rest or recreation this winter come down to delightful St. Petersburg, the famous "Sunshine City" of Florida's Gulf Coast. Here winter days are warm and sunny . . . temperature around seventy . . . balmy breezes blowing through the palm trees . . . healthful sunshine 360 days a year. St. Petersburg is a wonderful outdoor playground, providing a greater variety of sport and recreation than is offered by any other city of the Southland . . . Golf, boating, fishing, swimming, tennis, roque, lawn bowling, shuffle board, horseback riding—whatever you like.

A continuous round of entertainment. Finest accommodations. Moderate living costs. Excellent schools; Junior College. More than 100,000 winter visitors last year; still more this winter. Follow the crowd to "The Sunshine City." For booklet address, L. S. Conant, Chamber of Commerce, St. Petersburg, Florida.



When writing please mention Nation's Business

## THE PATTERN OF COMMERCE



As Seen by  
Raymond Willoughby



**R**ADIO telephonic service between the United States and some countries of Europe is not rated a commercial success by Dr. Neil Van Aken, director of the Netherlands News Bureau in New York. His conclusion is restricted to the month of August, and he makes proper exceptions of France with 323 calls and England with 303 calls.

Their showing is readily explainable, he thinks, by the large number of American tourists in those countries during the summer.

In the same month, Holland was connected with the United States nine times, Belgium six times, Denmark twice, and Sweden not at all. His own country, Holland, is more called than calling, for he points out that most conversations originate in the United States.

It does seem worth while for an American dealer to get a line on his Sumatra tobacco, as Doctor Van Aken suggests—and who wouldn't put up a long talk for Amsterdam diamonds?

**A**CAREER of crime might seem less inviting if the word were broadcast that the output of nets and seines is on the increase.

At the biennial census of manufactures in 1925, the total value of these useful



meshes stood at \$5,157,491. In 1927 the total advanced to \$5,401,173—a gain of 4.7 per cent in two years.

The figures indicated that our fishermen are in a fair way to make bigger hauls. In the public interest it is comforting to believe that the average size of dragnets will be larger this year.

**J**OHAN COTTON DANA, directing genius of the Newark Museum, is a confirmed modernist and proud of it, if his exhibits of machinery, technical apparatus, and plumbing fixtures give the key to his philosophy. His zeal to defend the creative spirit of our own times shines

brightly in his introduction to the exhibit of a Weston electrical instrument:

We are told by enthusiasts for the antique that in our haste to live we have lost the art of giving to a product the patient skill which craftsmen of older days so often brought forth. I do not speak as an expert on metal work of any kind, but I venture the assertion that never in the history of craftsmanship were metal objects made that were finer, more accurate, more closely fitted to their purpose, than are a good number of those made today.

Whether for good or ill, it is true that the conventional museum of art is much



more interested in ancient history than it is in the works of today. And it is equally veritable that things which have a money value due to their rarity and cost and to the bit of history they may convey to the student may seem far more marvelous as products of the human hand than they truly are.

Mr. Dana has small patience with the unreasoning reverence for ancient things simply because they are old. He is the eloquent evangel of modern craftsmanship. He contends that our machine-made products need not be ugly and banal, and he reports the encouraging discovery that much of what we have already made with machines—quite unconscious of artistic effort—is art of a high and new order.

The attitude defined by Mr. Dana is unconventional, but it has a stimulating usefulness in its refusal to be deflected by traditional standards. Art for art's sake provides its own emphasis of worth. The Newark interpretation puts the justification on a more humanitarian basis.

**A**T THE beginning of the golden jubilee year of his invention of the electric light, it was eminently fitting that his country should honor Thomas A. Edison.

The medal awarded to him by Congress is, of course, a significant token of the gratitude and affection of the American



IN THE KANSAS CITY AREA

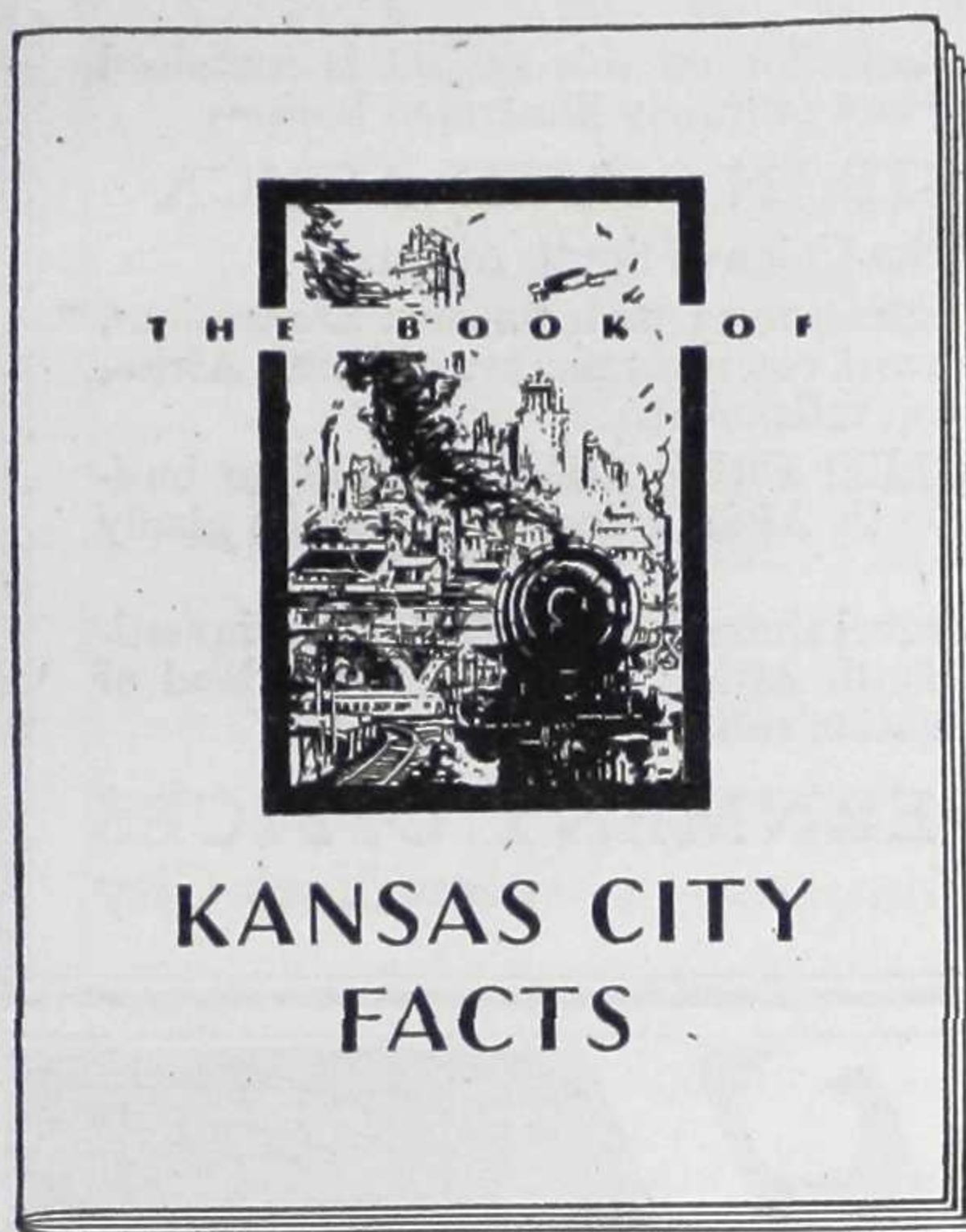
## A Book

YOU SHOULD KNOW

**F**ACTS tell the story! Without embellishment, the facts about this Kansas City market of 21 million people . . . with a 10-billion-dollar annual income . . . are presented in "The Book of Kansas City Facts," just off the press.

**Market:** Here is a market of highly diversified requirements spending hundreds of millions of dollars every year for necessities and luxuries in distant markets that could much more economically be manufactured in and distributed from the Kansas City area.

**Transportation:** By rail, highway, air and water, Kansas City is the inland center of transportation, its facilities adequately meeting the needs of every section of the territory. More than 15 million people can be reached at lower freight cost from Kansas City than from any other metropolis.



manufacturers having plants in other cities.

**Raw Materials:** An amazingly diversified list of raw materials available in the territory is presented, including steel ingots, billets, sheets and wire, lumber, lead and zinc, grains, livestock and cotton, bauxite and other minerals and farm products.

**Fuel:** Coal, fuel oil and natural gas are available in plenty at reasonable cost.

These and many other advantages the Kansas City area offers to the manufacturer. "The Book of Kansas City Facts" explains them in detail, and may be had on request. In addition, any interested executive may have a confidentially submitted survey of the market for and production possibilities of any individual industry.



Chamber of Commerce of

KANSAS CITY

*Not just a city  
but an empire*

Kansas City advertising does not confine itself to corporate limits. Within the territory are raw materials and manufacturing advantages of a highly diversified nature . . . many within the city itself, many in the smaller cities of this rich area. Kansas City undertakes to tell the story of the entire territory to interested manufacturers, realizing that the city prospers only as its outlying territory prospers.

**Opportunity Here  
Awaits These Products**

Men's and Women's Clothing . . . Aircraft and Accessories . . . Hosiery . . . Dairy Machinery . . . Steam Fitting and Heating Apparatus . . . Furniture . . . Porcelain Ware . . . Perfumery and Cosmetics . . . Millinery . . . Wallboard . . . Insulated Wire and Cable . . . Moulding of Bakelite . . . Radio Equipment

Kansas City, Mo.

Industrial Committee, Room 330  
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RAW PRODUCTS  
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A FUND of useful information on this subject is contained in the new, interesting and profusely illustrated book—

### INDUSTRIAL DEVELOPMENTS IN SOUTH AFRICA

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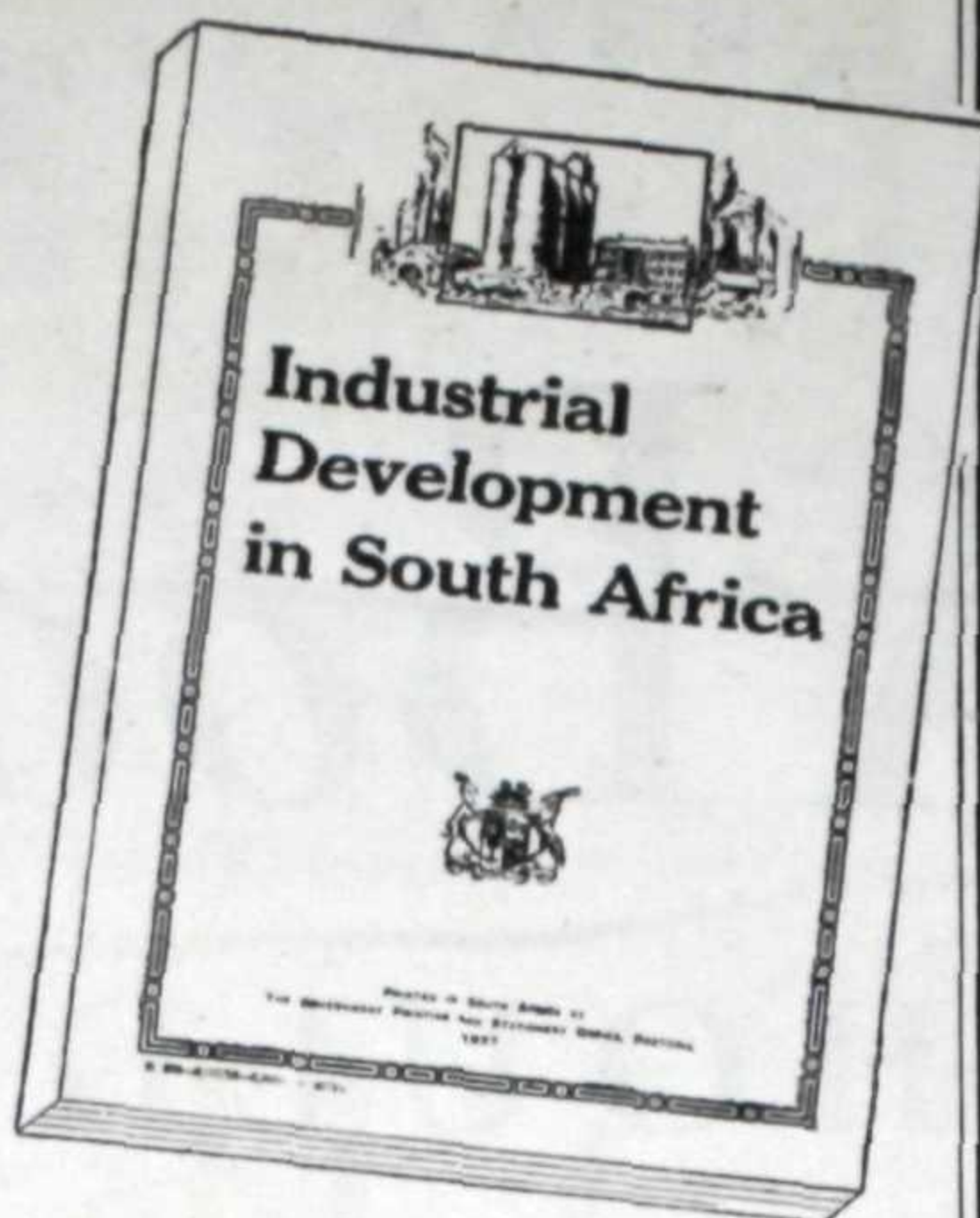
This interesting text in this 231-page book interspersed with unusual illustrations, maps, diagrams and tabulations. It gives a most complete picture of South Africa, its potential possibilities for further industrial development.

THIS VALUABLE BOOK WILL BE MAILED FREE OF CHARGE to business executives, and information regarding South Africa's resources will be gladly furnished.

Why not combine business with pleasure? Travel through South Africa and investigate its business opportunities personally. South Africa is truly a travel land of wonder, mystery and beauty. Further information can be secured at the

**SOUTH AFRICAN GOVERNMENT OFFICES**  
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446 A



people. His place in the minds and hearts of his countrymen is suggestively revealed in the popular conception of him as "the wizard of Menlo Park." In a land of inventors that designation marks a happy overplus of fame.

Particularly appropriate was the presentation of the medal in the quiet book-lined room from which have issued the marvels of his brain. Many of the great of the earth were there, and millions attended the radio broadcast of the ceremony.

The good wishes of those millions were articulated in the voice of President Coolidge, who delivered this personal message from Washington:

"Noble, kindly servant of the United States and benefactor of mankind, may you long be spared to continue your work and to inspire those who will carry forward your torch."

In honoring Mr. Edison, it was not only a country but an age that honored itself.

**A**MID all the appellations of grandeur contrived by the automobile makers, we fail to see any mention of "the noiseless car."

**R**OMANTIC as foreign works of fiction may seem in the consumer's appraisal, they are solid realities of commerce when crammed into a ship's hold. In a purely material aspect they signify competition with the domestic product, and that potentiality is urged by one American author as reason for a protective tariff.

His case is stated in a letter to Senator Johnson of California. The lot of the native writer must be hard, indeed, if it be true that

in the United States of America are some half million or more writers starving to death because they can not market the product of their pens. These people are no more than workmen, working at their trade of fiction writing. They have absolutely no protection against the unfair competition of foreign writers.

The matter of domestic income is important, of course, in any consideration of this proposal for a tariff of two cents per word on foreign fiction. A part of the affirmative argument is based on the statement that the native authors receive from one-half cent to five cents a word for their manuscripts, with a net average of \$100 for a short story.

It would not be hard to find a reasonable divergence from that estimate, but the basic issue is touched with a public interest. For it is a question whether the public cares to put a premium on domestic fiction, and whether it regards the current output worth protection.

One thing is plain, the idea of a tariff on foreign stories is something more than a novel proposal.

**I**NDIVIDUALS and firms go out of business with enough frequency to make the action commonplace, and it is only when the age of an establishment gives distinction to the event that the public takes notice.

## VISIBILITY in business means Speed and Accuracy



Modern  
Check Writers  
are fully visible; other kinds have become out of date. But there is only ONE Visible Numbering Machine—the American Visible.

It lets you see the next number at a glance, without turning machine upside down or disturbing the setting. Save spoilage of valuable papers; increase speed and accuracy with this modern machine.

6-wheel Model 41 \$12.00  
Canadian Price \$15.50

**654321**  
Impression of Figures

## AMERICAN VISIBLE

At Stationers, Office Supply & Stamp Dealers

Write us about ANY Numbering Problem. Over 200 special American hand and typographic models made to number everything from forgings to fabrics in leading industries.

American Numbering Machine Co., Brooklyn, N. Y.

Branches: Chicago—London—Paris  
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# Can with

**MORE** than 19,000 concerns in over 300 different industries are doing their cleaning the Oakite way. Quick, vigorous cleaning action saves time at one plant. Elimination of hand scrubbing cuts labor costs at another. Thoroughness improves the quality of work at a third. These advantages make Oakite materials the standard wherever tried. Booklets free. No obligation.

*Oakite Service Men, cleaning specialists, are located in the leading industrial centers of the United States and Canada.*

**OAKITE PRODUCTS, INC.**  
24A Thames St. New York, N. Y.

# OAKITE

Industrial Cleaning Materials and Methods



Certainly the discontinuance of the grocery business of Robert Seaver & Sons of Jamaica, Mass., needs no accent for interest in point of antiquity. This establishment had been operated not only by the same family but on the same site for 132 years.

The passing of this ancient shop gets down to the competition of the chain store and new-fangled methods of storekeeping. These changes in the familiar ways of merchandising persuaded the proprietors, Fred and Robert Seaver, 80 and 75 years old, respectively, to close their store.

They leave no hollow shell of service. The soundness of their business integrity



is symbolized by the ruggedness of the building, for the whitewashed timbers are just as sound today as they were in 1796 when the Boston and Providence stages stopped at the door.

There are old families that still swear by the store and its goods, but a larger public with a sentimental attachment for landmarks will share regret for this evidence of business mortality.

That feeling should not temper recognition of the fact that the firm of Robert Seaver & Sons stuck to its first foundations, its original neighborhood, and its distinctive conceptions of service for more than a century.

**S**OMETHING of an innovation in fairs was presented in the exhibits of forest products at Waycross, Ga. Federal, state, commercial and cooperative groups participated in this enterprise, and by their intelligent zeal the practice of forestry has been brought into a sharper focus of public interest.

Methods of reforestation, of thinning, and of other processes used in the establishment of a stand of growing timber were shown in detail. The actual and potential losses from forest fires were effectively indicated in exhibits and in the field.

Along with the familiar forest products, newer utilizations of wood had place, including many kinds of paper and pulp, and a considerable variety of cellulose products. Other exhibits portrayed the most improved practices in harvesting a crop of timber, and emphasized the effective economy of proper methods of sawing logs and firewood.

While the forestry fair had a distinctive southern exposure, its success should establish a national precedent for adaptation to local and regional requirements. And by its proximity to large forest tracts under the management of business men, this fair has accelerated the revision of the popular notion that forest conservation signifies a segregation from use.



# \$275,000,000

## CONSTRUCTION WORK NOW IN PROGRESS IN

# VIRGINIA

**N**O STATE is showing more rapid industrial progress than is Virginia.

A recent report by the Commissioner of Labor and Industry shows construction work now under way amounting to \$275,000,000. This enormous total does not include millions that the government is spending nor a highway construction program of some \$20,000,000 annually.

Industry has awakened to the fact that Virginia offers opportunities that cannot be ignored.

Search for locations where plants can serve Northern and Southern markets points squarely to Virginia.

Virginia's equable climate, free from extremes of heat or cold, makes ideal "working weather" the year through.

Virginia enjoys cheap water-borne transportation and the facilities of the greatest natural harbor in the East.

Mountain streams furnish abundant power. Coal mines are close by.

There is plenty of native-born labor. Strikes are almost unknown.

To these natural advantages have been added the benefits of intelligent, progressive legislation. Tax rates have been reduced. The tax on Capital in Business has been reduced one-third as compared with 1926. Virginia's "pay as you go" policy safeguards against pyramiding bond issues and the ensuing taxes.

Industry has been quick to take the cue. Virginia's industrial output, \$667,850,000 in 1926, will leap beyond a billion in 1929.

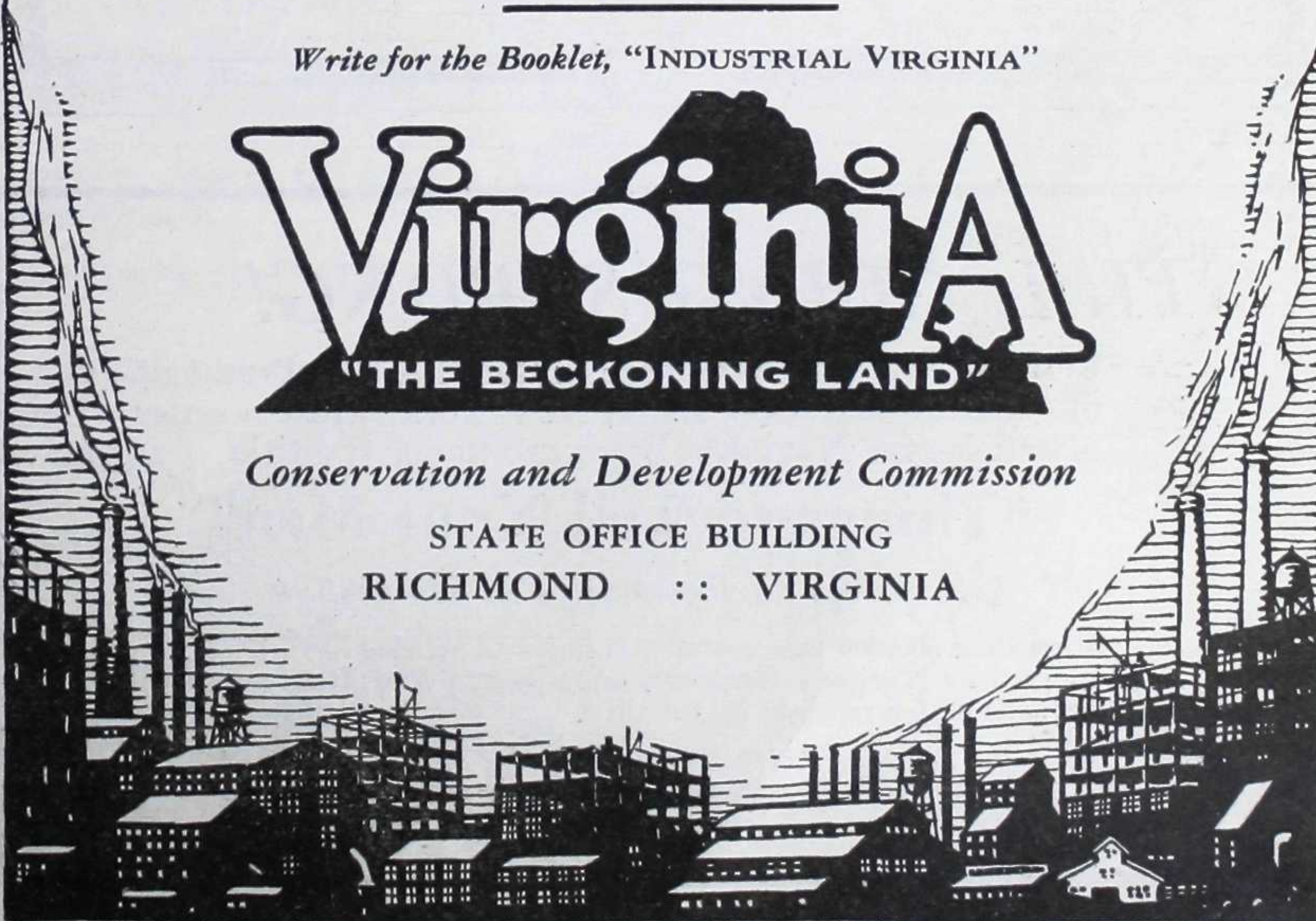
Write for the Booklet, "INDUSTRIAL VIRGINIA"

# Virginia

"THE BECKONING LAND"

Conservation and Development Commission

STATE OFFICE BUILDING  
RICHMOND :: VIRGINIA





## The Greater Wastes

The Greater Wastes are the wastes of *mind*, not of matter—wastes of mental energy rather than in material things. Fear, doubt, uncertainty, indecision, procrastination are the unlicensed robbers in every mental territory. But the greatest mental waster of them all is *worry*.

These greater wastes seem greater in Business because, of all human activities, Business presents the closer, more visual, and more material check-up.

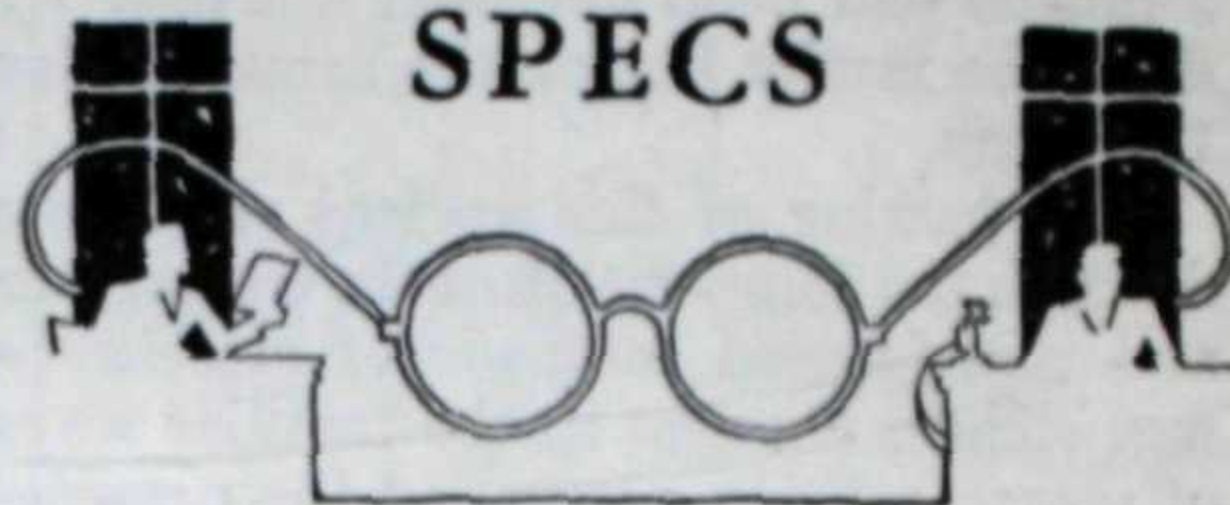
While *Modern Accountancy* is no cure-all for the lack of mind—it is a stop-cock for these greater mental wastes. Its enlightened perception of the practical meaning of facts and figures—its orderly application of System and Method in Management, the assurance of its Detailed Audit, the guide of its Budget, its light on Costs—and, above all, the security of its Control, are lessening every day the *greater wastes*.

## ERNST & ERNST

ACCOUNTANTS AND AUDITORS  
SYSTEM SERVICE

NEW YORK	PITTSBURGH	CLEVELAND	CHICAGO	NEW ORLEANS
PHILADELPHIA	WHEELING	AKRON	MILWAUKEE	JACKSON
BOSTON	ERIE	CANTON	MINNEAPOLIS	DALLAS
PROVIDENCE	ATLANTA	COLUMBUS	ST. PAUL	FORT WORTH
BALTIMORE	MIAMI	YOUNGSTOWN	INDIANAPOLIS	HOUSTON
RICHMOND	TAMPA	TOLEDO	FORT WAYNE	SAN ANTONIO
WINSTON-SALEM	CINCINNATI	ST. LOUIS	DAVENPORT	WACO
WASHINGTON	DAYTON	MEMPHIS	DETROIT	SAN FRANCISCO
BUFFALO	LOUISVILLE	KANSAS CITY	GRAND RAPIDS	LOS ANGELES
ROCHESTER	HUNTINGTON	OMAHA	KALAMAZOO	SEATTLE
		DENVER		

## THROUGH THE EDITOR'S SPECS



WE DO NOT expect them, we do not deserve them, but the fine letters of commendation which come in from our readers are a tonic to each member of the staff. Surely editors have the best jobs of all, for what other calling brings you into such intimate touch with your customers? Sometimes 100 letters in one week! And we would not have you believe they are all commendatory, either. Every twice in a while comes a jolt that brings us down to earth again.

Credit where credit is due. Many of our happiest articles, many of our "ringing" editorials were suggested or inspired by our friendly readers.

As we write there lie on the top of the morning's mail three letters. One from the dramatic critic of the *Denver Post*, A. De Barnardi, Jr., who helps us visualize our editorial aim with this:

I read your magazine because I find in it a pithy digest which is at once interesting and entertaining, covering phases of activity in the business world which ordinarily would not come to my attention. If it is interesting to me, with no direct connection with industry, what must it be to the man who is intimately a part of business, since by reading it, he may keep informed on every phase of industry.

C. D. Southard, of the Berry Dry Goods Company, Fort Smith, Ark., adds to the interpretation:

I think more of NATION'S BUSINESS than any magazine that comes to my desk. In articles and interviews from the world's business leaders, it points further and more accurately than any other to what is coming in business. It is America's greatest symposium of modern business thought.

The third is from Isaac Brown, New York clothing manufacturer. He confirms his faith in a substantial way:

I enclose a check for \$15 for a six-year subscription to what I consider one of the most valuable of the nontechnical publications of this country. This check keeps NATION'S BUSINESS coming to me until 1934.

I think so much of the magazine that by the time renewal time comes again for me, I hope to have mailed you more than one check for subscription for my friends and business acquaintances.

Did I say three letters? Underneath Mr. Brown's letter is a fourth, this one from A. C. G. Hammesfahr, eastern manager of the Oxford Paper Company, New York City, who writes:

Your editorial "A Call to Stockholders"

## ★ STILL GOING STRONG! ★

FOUR YEARS AGO George E. Roberts, Vice President of the National City Bank, New York, wrote a series of articles for NATION'S BUSINESS under the title

### "Things to Tell Your Men"

*A Series on Economics in Homespun*

More than 500,000 reprints of this series of articles have been distributed by NATION'S BUSINESS, on request. And after four years, the demand for reprints is still alive.

NATION'S BUSINESS will reprint at cost on request any article in any quantity. Attractive booklet size suitable for distribution.



**ZINC**  
The Lifetime Metal

### What is Maintenance?

A deep dig at your pocketbook; labor charges that repeat and multiply; the added attention and worry an industrial "weak sister" must receive.

Some roofing and siding "weak sisters" cannot exist without maintenance. The New Jersey Zinc Company's Corrugated Sheet Zinc is not one of the group. It won't rust because it can't rust. Install it and forget it. It's all zinc—zinc through and through, so it takes care of itself—is its own maintenance department.

And it is the lowest cost permanent metal roofing.

Fill in the coupon, and our descriptive booklet and representatives are at your service.

**The New Jersey  
Zinc Co.**  
160 Front St.  
N. Y.

**THE NEW JERSEY ZINC COMPANY**  
160 FRONT STREET, NEW YORK  
Please send me a copy of your Corrugated Sheet Zinc Specification Book.  
Firm.....  
Mr.....  
Address.....

**The New Jersey Zinc Company's Corrugated Sheet Zinc**  
**ZINC—THROUGH AND THROUGH**







## The Drum Major—or Just Carrying the Drum?

**F**IRMS making the greatest net profits and paying the biggest dividends are the real leaders in any industry. They are the Drum Majors. Others, despite a more spectacular sales showing, are often just "carrying the drum."

Substantial business executives know just what profits their operations are yielding—and why. Not once or twice a year, but daily and weekly. They keep a finger on the pulse of business constantly by means of an Egray System, which records office and shop transactions so infallibly that profits cannot leak away. The Egray COM-PAK gives you the facts necessary for quick and wise decisions in any business.

## EGRY

### Distinctive Features:

- 1—Beauty in design and finish.
- 2—Even balance and light weight.
- 3—No loose parts.
- 4—Speed and accuracy in operation.
- 5—Perfect alignment of forms.
- 6—All forms issued to an exact size.
- 7—Issues 2 to 6 copies of any size bill.
- 8—Made of durable Bakelite and high grade steel.
- 9—All operating parts precision made.
- 10—Generous loading capacity.



35 Years  
of Building  
Autographic  
Registers



Our Latest  
Achievement  
—the Egray  
COM-PAK



SEND FOR FULL INFORMATION SHOWING HOW  
AN EGRAY SYSTEM CAN HELP YOU

THE EGRAY REGISTER COMPANY, Dayton, Ohio

**39** consecutive issues of NATION'S BUSINESS  
to keep you informed of  
every important trend in business  
until January, 1932!

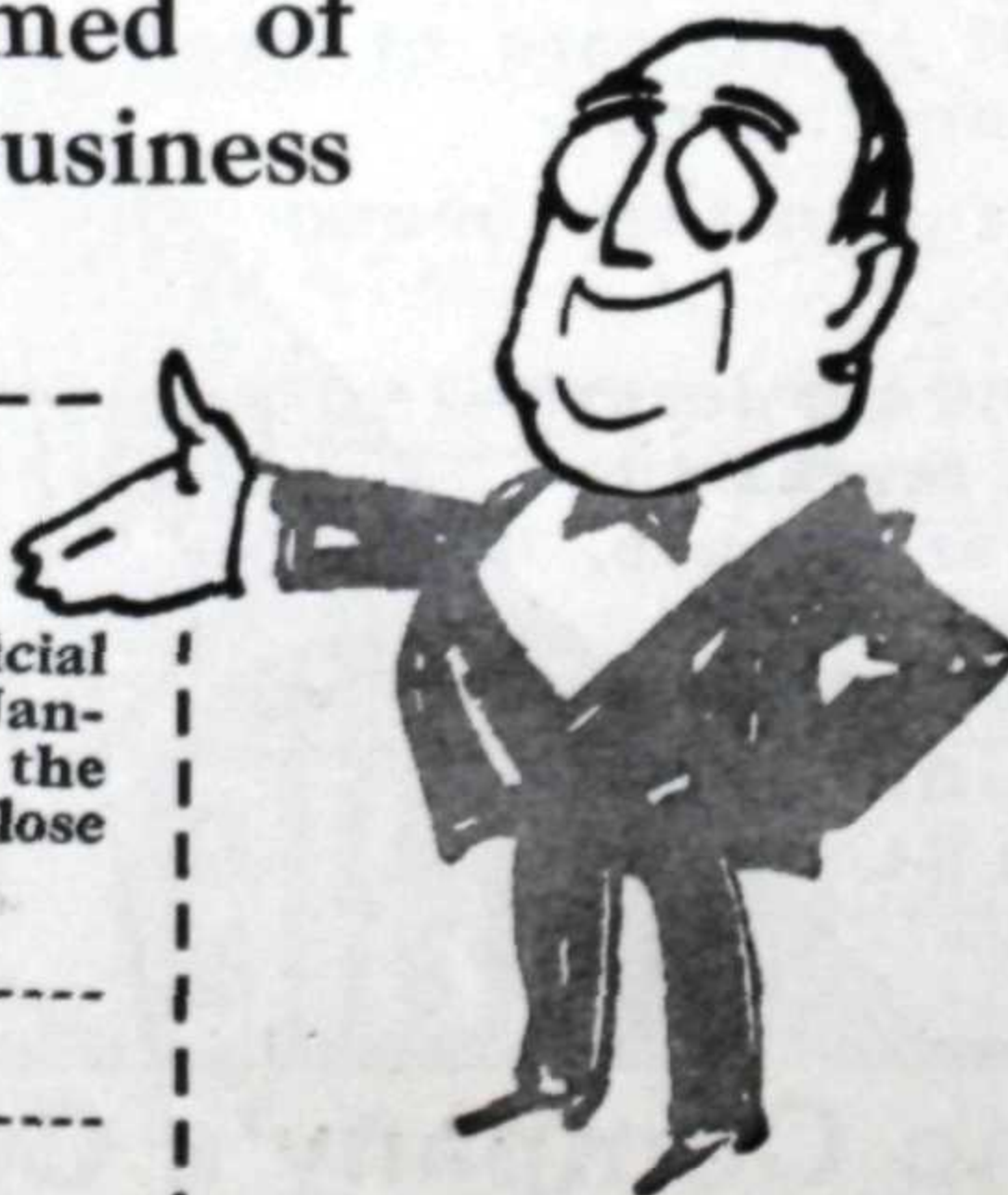
To the U. S. Chamber of Commerce  
Washington, D. C.

Send me NATION'S BUSINESS, your official  
monthly publication, beginning with the Jan-  
uary number. Bill me later for \$7.50 for the  
three year term-subscription (OR: I enclose  
remittance with this coupon).

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY AND STATE \_\_\_\_\_



is one of the best arguments that has ever come to my attention to make the business man realize his civic responsibility. I wish this could be broadcast so as to reach every business man, big and little, throughout the nation.

Of course, Mr. Hammesfahr uses the word "broadcast" figuratively. He is in the paper business and the message, therefore, should be circulated on good white paper.

**S**PEAKING of white paper, the circulation of NATION'S BUSINESS this month will reach 300,000. Ten years ago it was one-tenth that. It was only a few years earlier wise publishers told us that no journal devoted to economics could find more than 10,000 readers. An important field, economics, they said, but dull, dry as dust, debilitating. Hadn't it been tried before?

If NATION'S BUSINESS has "caught on" it is because it approached economic subjects as the business man applies economics, and in the language one business man uses with another, rather than in the technical phrase of most writers on economics who evidently believe that this is, of a truth, the "dismal science" it was once thought to be.

Of course, with our faithful readers supplying us with up-to-the-minute ideas, and with our ignorance of the text-book nomenclature of sesquipedalian terms for such everyday realities as competition, red ink, and pay-roll, any business magazine would succeed.

The low net is (to get away from the whimsical note) that NATION'S BUSINESS was first to see business as a whole, interdependent, coordinate; the first to express its ideals and aspirations; the first articulate voice of American Business crying in a wilderness of political demagoguery, suspicion, and antagonism; the first to demand a hearing for its patriotism, its faith in itself, and its desire to grow in stature and public regard in order more fully to fulfill its mission of raising the standards of living of millions of people and ultimately to abolish poverty from the face of the earth.

American Business, much misunderstood, inarticulate, was at heart idealistic and, to the extent that NATION'S BUSINESS has been able accurately to interpret this professional aspect of business, it has succeeded.

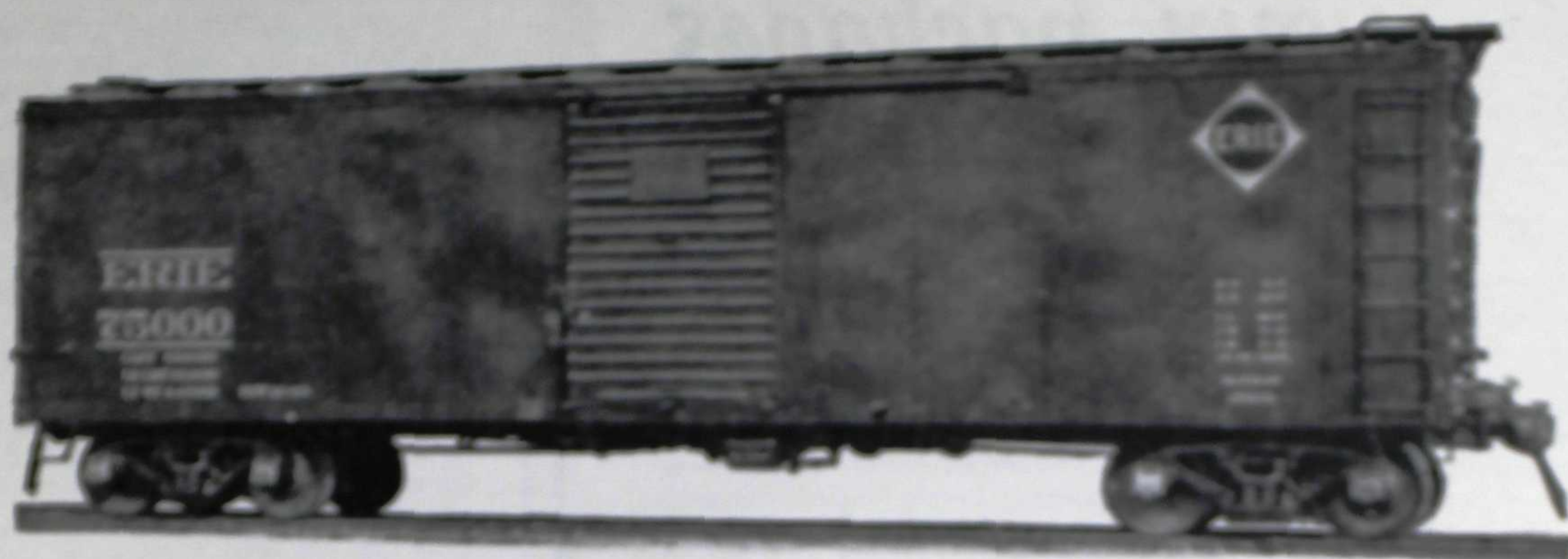
May it keep the faith with its 300,000 business associates!

**A**ND what has been the picture that NATION'S BUSINESS has painted of American Business during this period? Perhaps the answer can best be obtained from readers in far-off countries who are detached from the hurly-burly of American life.

Mr. Beton, of Beton and Mollith, Ltd. (asbestos and cement works), of Moll, Belgium, testifies that:

Your magazine helps us feel and understand that the young American nation is not one of mere materialism, contrasting to our old traditional continent; but one which uses its knowledge and skill and all its





## Heavy Duty Equipment Guarantees Dependable Railroad Service

THIS is a typical exhibit from The Erie Railroad's re-equipment program in which more than 8,000 units are being replaced with the most modern machines of transportation with extra Heavy Duty capacity.

# ERIE RAILROAD

"THE ERIE ENTERS NEW YORK AT THE FRONT DOOR."





# Insure your packages



**N**ORTH AMERICA Parcel Post Insurance is the safe, economical and convenient method of insuring packages sent through the mails. A book of coupons equips you to insure each package as it is wrapped—and assures satisfactory adjustment, without red tape or delay, if package is stolen, damaged or destroyed in transit.

Any North America Agent can explain this inexpensive and dependable protection. Or send the attached coupon for full information.

## the North America way



**"The Oldest American  
Fire and Marine  
Insurance Company"**  
Founded 1792

Insurance Company of North America  
Sixteenth Street at the Parkway  
Philadelphia, Pa., Dept. N12

Name .....

Street .....

City ..... State .....

Wants information on Parcel Post Insurance



## MANIFOLD for Air Mail ★★

USE the Air Post Regularly. Rate now 5 cents an ounce—any distance—10 cents for each additional ounce or fraction. Reduce weight and bulk of correspondence by using Dexstar Manifold Paper. Equally valuable for Foreign mail.

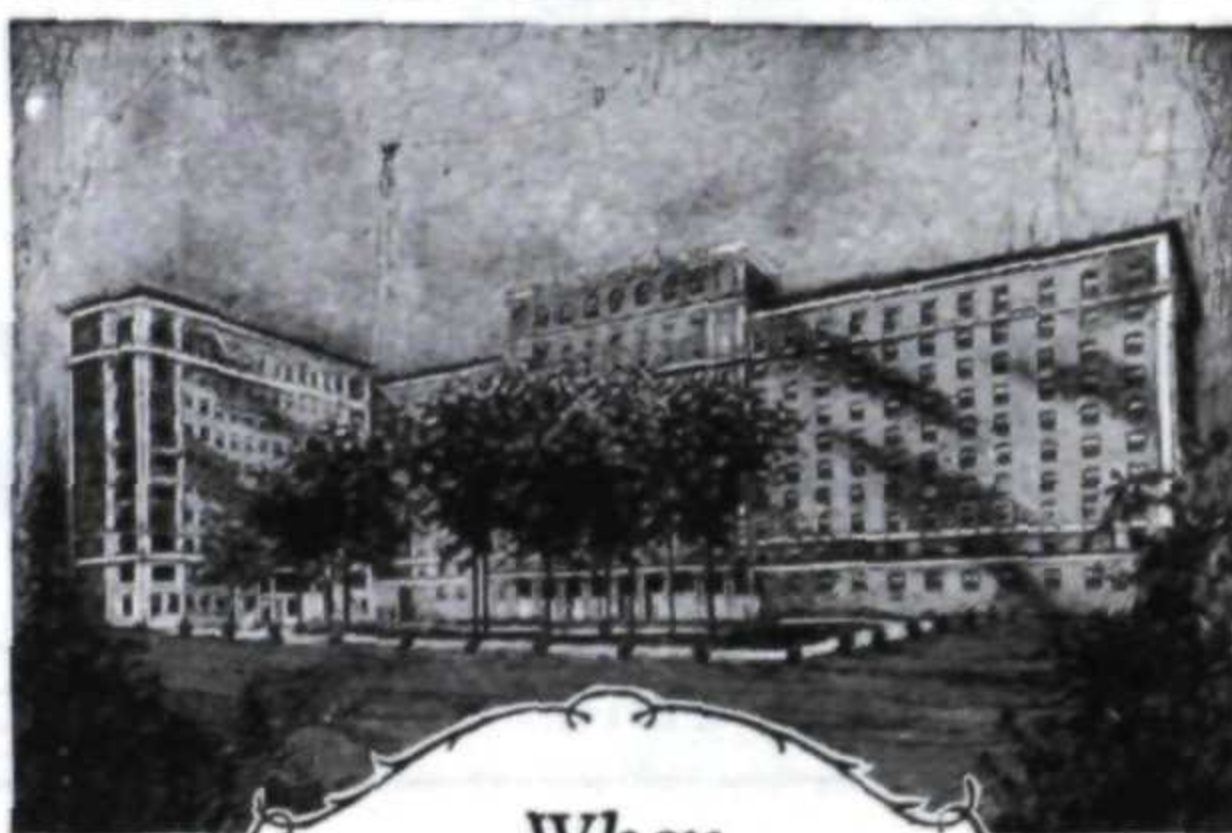
Dexstar Air Mail Manifold is light and strong (rag stock); available in various weights of white, and in 7 colors.

Sample Ream—500 sheets, white,  
8½ x 11in.—\$1.00 delivered

**C. H. DEXTER & SONS**

Incorporated

**WINDSOR LOCKS CONN.**



When  
You Come to  
Atlanta

you will find the South's Supreme Hotel, the Atlanta Biltmore, "Where Southern Hospitality Flowers." Located in a four-acre park, free from traffic noises, immediately accessible to theatrical, business and shopping centers

**A Bowman Biltmore Institution**

Rates from \$3.50

Golf for Biltmore guests

Jno. McEntee Bowman, Pres. Wm. Candler, Vice-Pres.  
W. C. Royer, Vice-Pres. and Manager

capacities to the realization of harmony and universal welfare.

From Glarus, Switzerland, Mr. H. E. Spalty writes:

I find one or two articles of interest and usefulness in each number, but the thing I treasure most is the truly American spirit of enterprise your magazine conveys.

E. O. Mayer of the Societe Anonyme Electicite de Strasbourg, of Strasbourg, France, states that "the abstracts and articles published in NATION'S BUSINESS are of great profit for men interested in international matters and following the evolution of economic life of the United States."

Similar letters have come in this month from Joseph Rowley, of Sydney, Australia, who speaks of our "spot-light of common sense and unrestricted vision," and adds that the only criticism of NATION'S BUSINESS is that it is not published twice a month; from Mr. T. G. Moorshead, director and general manager of the United Glass Bottle Manufacturers, Ltd., London; from Mr. Fritz Rau, St. Gallen, Switzerland; Mr. Wallace Berger, National Bank of Australasia, Ltd., Donald, Victoria.

**N**O DISCUSSION of world economics now seems complete without its explanation of American prosperity. And that British observers are at no loss for reasons, P. W. Wilson, former member of Parliament, reveals in the *Sphere* of London. He writes:

... I am asked why America is rich. To the best of my ability and observation, I give the real reason. It is not merely the size, the resources, and the geographical detachment of this vast area. It is the readiness to spend \$55,000,000 a year on Y. M. C. A.'s alone; to hold dinners where the larger issues involved in industry are freely discussed; to admit employers and employed to one partnership on ideas; and to promote ability wherever it can be discovered.

All that is not enough for explanation, for we read:

It is the inclusion of industry in the curriculum of universities and the purview of the churches. It is the belief that properly conducted, industry is the true antidote to crime and discontent.

Here is eloquence to persuade us that there is a divinity that shapes not only our ends, but also our commodities.

**A**NOTHER Englishman, Beverly Nichols, traveled up and down our land in order to observe "the most interesting civilization in the world." His conclusion is that our prosperity is not inevitable, but rather that it is the result of energy, enthusiasm, and advertising.

The community aspect of advertising was revealed to him at Fort Worth, where he visited a local industrial exposition, and found it an amazing example of civic enterprise, with its streets of exhibits brilliantly lighted and crowded with business men. In his opinion, "the candy section alone contained more interesting material than all the dreary miles of bot-



tled gooseberries and stuffed sheep" which were displayed at the British Empire Exposition. There is a cue for England in his notes, for he warns that "advertising today is as important to England as was ammunition during the war."

The flavor of his judgment of our spirit and our ways is crammed into this representative passage:

America has conquered time. With a snap of her metallic fingers she has flicked the hands of the clock to any period of history she has desired. Her surgeons have lifted thousands of ancient faces to the fresh skies of youth, her decorators have battered many a virgin forest into the wreckage of Age. The result is an exciting chaos. Which is not a bad description of the continent.

Precisely. But the idea of an empty, immeasurable space hardly accords with the acuteness of the parking problem.

A GOOD bit of sympathy has been wasted on scientists in the false notion that they are hard put for words to match their deeds. Perhaps there is some deficit of oratory in their ranks, but certainly the man who can tell the world that "victoria blue is obtained by condensing tetramethyldiamidobenzophenone chloride with phenyl-a-naphthylamine" is in no sense tongue-tied.

No one needs to offer lip service in recognizing that the lingual assets of science have been increased with words like "diphenylamidoquinonedianilide."

And what political spellbinder would not ask odds of the reverberating syllables in "diamidomethylfuchsonimonium." Every one of them seems sufficiently dimensional to accord with Robert Louis Stevenson's idea of a "boss word."

J S. LOWMAN, vice president of the Philadelphia Rubber Works Company—situated in Akron and not in Philadelphia—was stirred to correspondence by Frank App's views on agricultural economics. That contribution in the October number, to Mr. Lowman's mind,

shows such a clear constructive solution of the problem confronting him that it prompts the thought that if corresponding cost figures covering the production of wheat, corn, barley, rye, and cotton, and also for the livestock industry, were published it would provide basic information wanted by those of us who are truly anxious to get a clear picture of the farm situation.

And he paraphrases one of our own favorite texts when he records his belief that,

if we could get such a picture based on economic facts rather than on political expediences it would be welcome information.

It is a permanent plank in our editorial platform that better business is a matter of better bookkeeping—and that means the recognition and proper entry of economic facts in the national ledger.

OCCASIONALLY we are minded to view with alarm. This matter of China's new government council, for instance. The fact that it is to begin with

# LABOR efficiency

## Depends on the Thermometer

**63.5°F**  
HIGHEST AVERAGE SUMMER MONTHLY TEMPERATURE

**48.7°F**  
LOWEST AVERAGE WINTER MONTHLY TEMPERATURE

*Based on Observations Over a 35-year period, University of California, Dept. of Geography.*

BLISTERING hot days, sweltering nights, driving sleet or snow—all exact their toll in labor efficiency, whether in office or factory. The OAKLAND industrial area, comprising the principal cities of Alameda County, California, offers a climate approaching within 1.9° the 59° F. established by the United States Labor Department as the ideal mean annual temperature for highest working efficiency. Labor in this industrial area is healthy and happy, spends much of its leisure out-of-doors; is free from industrial strife. Home ownership is 42 per cent.

In this best-located and best-served industrial area on the Pacific Coast, is the site for your distributing or manufacturing branch, with the service of three trans-continental railroads; foreign, coastal, intercoastal, coast-wise, and river steamship lines; three air mail, express and passenger lines.

Whether interested in the markets of the eleven western states, or in those offered by foreign countries bordering the Pacific—you should investigate these advantages.

### Read what some large employers of labor say:

Our production per man is extremely high and our labor turnover is very low.

—American Manganese Steel Co.

Splendid living conditions in the vicinity of our plant.

—Nat'l. Lead Company of Calif.

Greater Efficiency can be secured from employees because of climatic conditions.

—Pacific Coast Shredded Wheat Co.

Excellent schools, a fine climate, and many recreational opportunities have attracted many skilled workmen.

—Union Gas Engine Company.

Freedom from excessive heat and cold permits employees to work in comfortable, well-ventilated rooms the year round.

—California Cotton Mills.



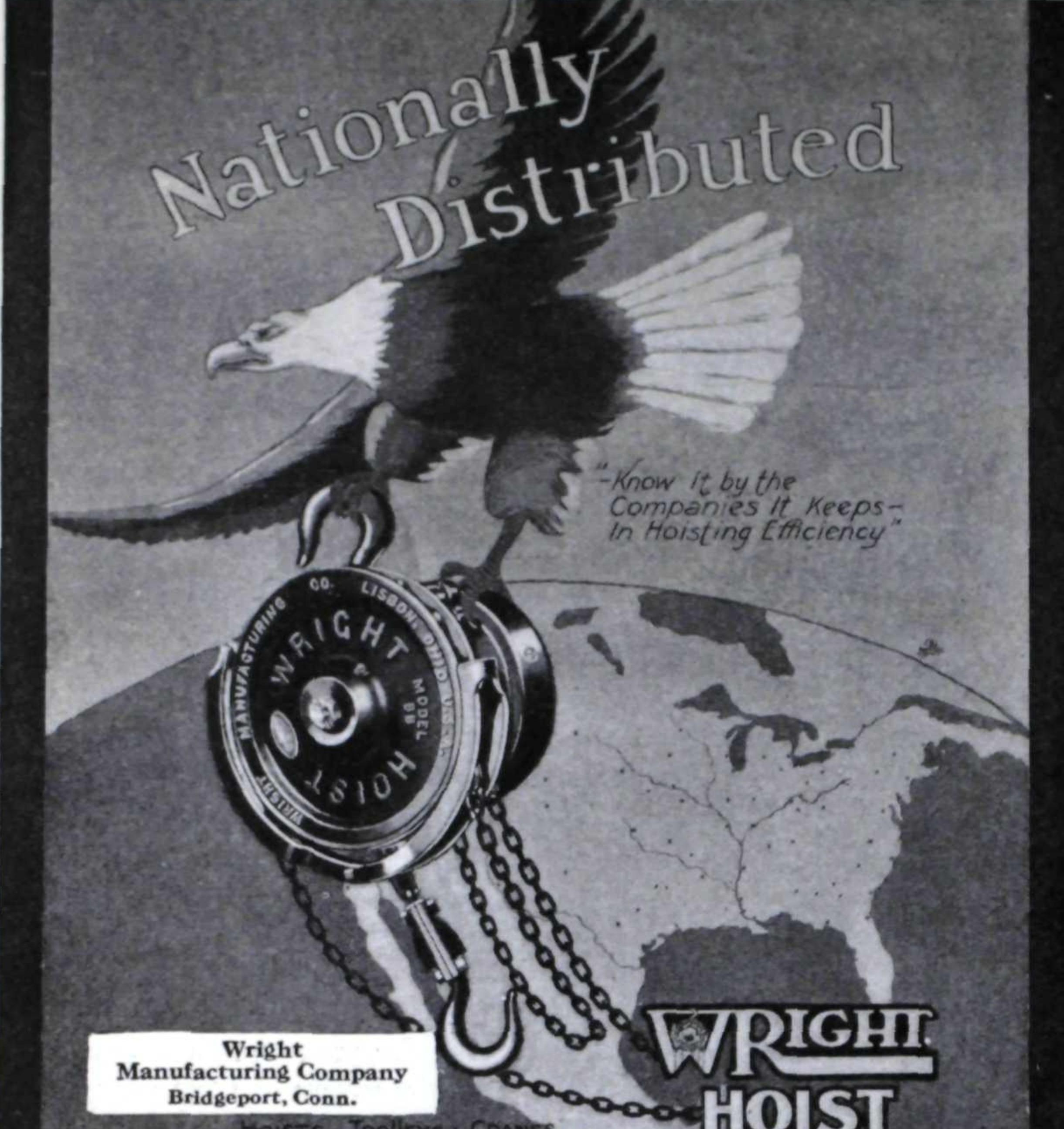
May we send a copy of "We Selected Oakland", with personally-written statements of many of the nationally-known concerns now operating here? We would like to assist you by furnishing any information you desire as applied to your own manufacturing or distributing problems west of the Rocky Mountains. We will serve you in the strictest confidence. Write:

Industrial Department, Oakland Chamber of Commerce  
**OAKLAND [ALAMEDA COUNTY] CALIFORNIA**

*Alameda County*—the dominant industrial district of the Pacific Coast—is located on the eastern side of the great harbor of San Francisco Bay, and includes the cities of Alameda, Alvarado, Berkeley, Centerville, Decoto, Emeryville, Hayward, Irvington, Livermore, Newark, Niles, Pleasanton, San Leandro



Nationally Distributed



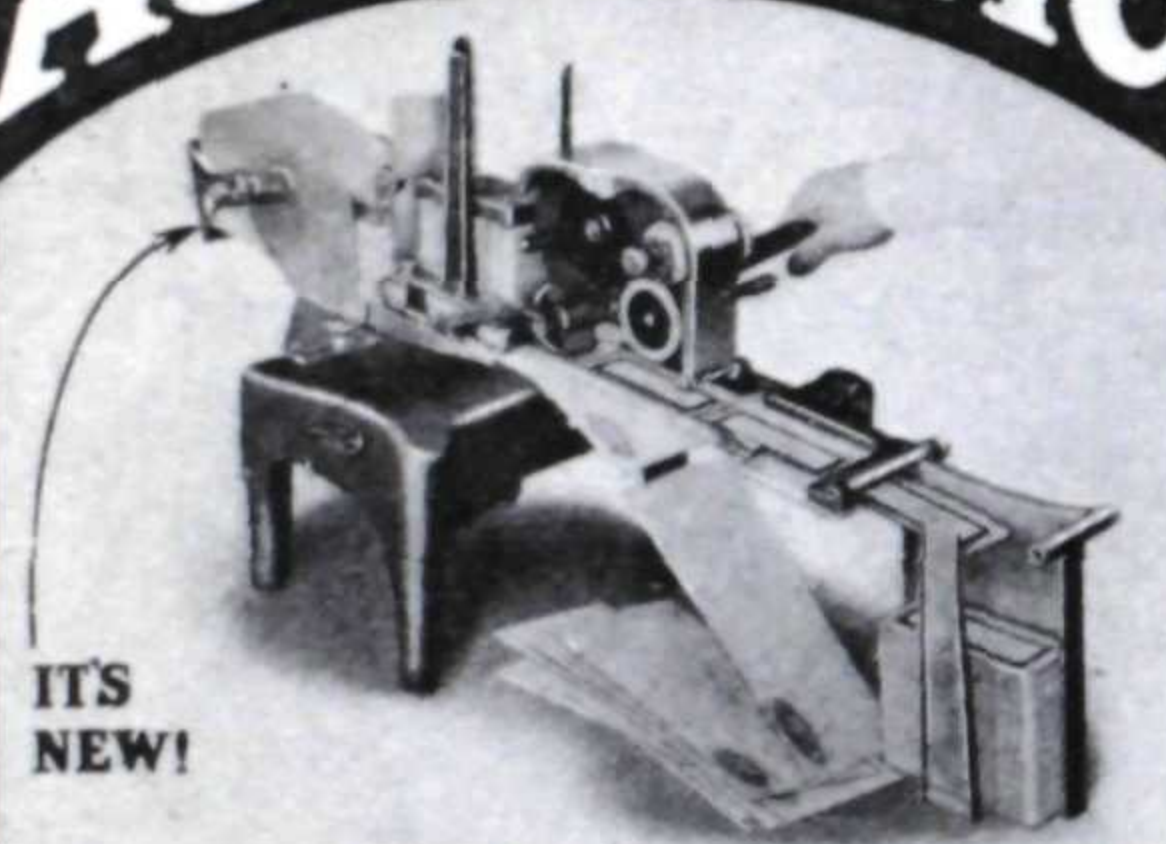
"Know It by the Companies It Keeps—  
In Hoisting Efficiency"

Wright  
Manufacturing Company  
Bridgeport, Conn.

HOISTS · TROLLEYS · CRANES

**WRIGHT  
HOIST**

**AUTOMATIC**



IT'S  
NEW!

**N**O more slow hand-feeding of envelopes into an addressing machine one by one! — Get a demonstration of this wonderful new popular-priced addresser. — It automatically feeds envelopes into itself as fast as you can turn the crank.

**DOES A DAY'S WORK  
IN 5 MINUTES**

Four times faster than other addressing machines of similar size and price.

For complete information and a **FREE BOOK** on Direct-Mail Advertising, pin this ad. to your business letterhead and mail to us.

**ELLIOTT  
ADDRESSING MACHINE CO.**  
144 Albany St., Cambridge, Mass.

Reprints of any article in this issue will be supplied at your request, at cost.

**LITHOGRAPHED  
LETTERHEADS**

**\$1.25 per 1000**

IN LOTS OF 50,000  
25,000 at \$1.50—12,500 at \$1.75 or  
6,250 our Minimum at \$2.25 per 1000  
Complete—Delivered in New York

**ON OUR 20 LB. WHITE  
PARAMOUNT BOND**

A Beautiful, Strong, Snappy Sheet  
HIGHEST GRADE ART WORK AND ENGRAVINGS  
**GEO. MORRISON COMPANY**  
553 West 22nd St. New York City  
SEND FOR BOOKLET OF PAPER AND ENGRAVINGS



**Do You Cut  
Stencils?**



Here is an easy cutting stencil which gives clear-cut typewritten copies and accurate reproduction of art, autographic and line work.

No mussy preparation

"O's" keep their centers

Easier proof reading

Durable for long runs

We'll send you—free—an Arlac Dry Stencil. Please give make of Duplicator.

**ARLAC DRY STENCIL CORPORATION**  
419 Fourth Ave. Pittsburgh, Pa.

Please send me—free—one Arlac Dry Stencil

for use on.....Duplicator

Name .....

Address .....

five boards is the alarming symptom. One small acorn will produce a mighty oak, but one board can overshadow a whole country with its multiplication of political deadwood.

**A**SUBSCRIBER sends us a bit of verse credited to R. A. Grady, of Duluth, which served to soften our first-of-the-month troubles. May it do the same for you:

I used to think the monthly bills  
Were one of Life's most trying ills,  
But I feel differently now,  
About the bills, for I've learned how  
To read a story in each one,  
So now the bills are kind of fun.

Four ninety-eight for silken hose:  
Means Mother to a party goes.  
A little coat, a hat of blue:  
From this bill smilingly steps Sue,  
And the grocery bill will tell  
The wide, wide world we all are well.

What use o'er monthly bills to wail?  
For each one there is a tale  
Of happiness for some one who  
For happiness looks straight to you.  
Why even in the doctors' bills  
There is a tale of vanquished ills.

**T**RAD association executives are at last coming into their own. At least two of them have had honorary handles attached to their names recently.

The Governor of Kentucky had touched gently with his sword the broad shoulders of T. W. Vinson, executive secretary of the National School Supply Association, and Oscar L. Moore, secretary of the Corn Derivative Institute, the Society of Manufacturing Confectioners, Syrup Mixers' Society, Salesbook Manufacturers' Association *ad lib.*, and bidden them arise as Colonel Vinson and Colonel Moore, members of the Governor's staff.

**I**T SEEMS to be the month of verse, for here comes another from a subscriber in Atlanta.

It is called "In Conference" and was clipped from the Birmingham *Age-Herald*. It lilts along as follows:

There was a tired business man,  
A member of that busy clan,  
That shields itself from prying eye  
Behind that good old alibi—  
"IN CONFERENCE"

He rested in his office chair  
And ducked a lot of toil and care  
And smoked cigars in sweet content,  
And thus his busy hours were spent—  
"IN CONFERENCE"

Came anxious strangers by the score  
To camp outside his office door,  
And angrily they went their way,  
For he was busy all the day—  
"IN CONFERENCE"

And so he died, and at the gate  
An angel bade him stand and wait,  
And said to him with frowning brow,  
"St. Peter's mighty  
busy now—  
"IN CONFERENCE" *M.T.*





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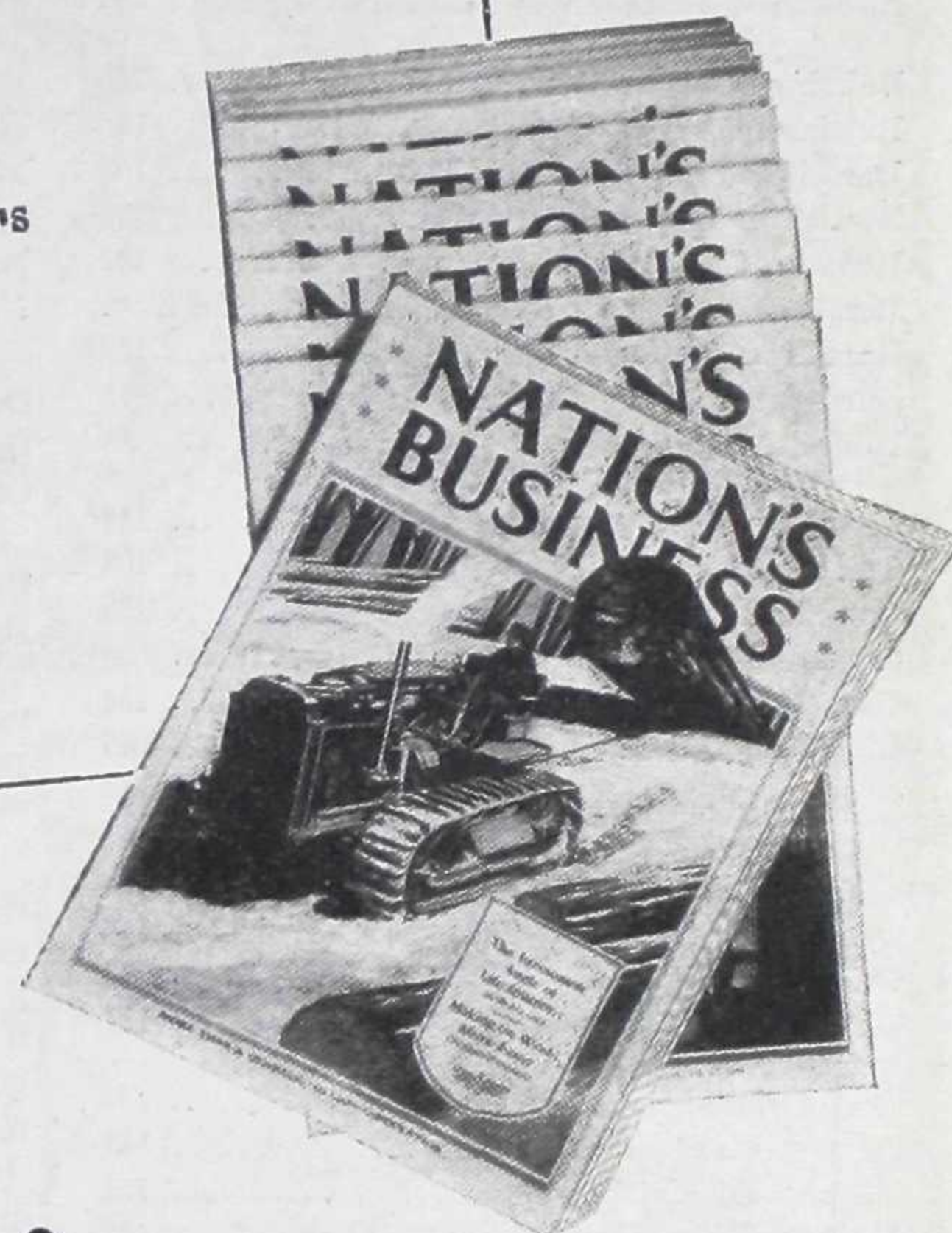
JOHN J JONES

ANY STREET ANY TOWN ANY STATE

MERRY CHRISTMAS AND A YEAR'S SUBSCRIPTION TO NATION'S  
BUSINESS TO MAKE YOUR NEW YEAR PROSPEROUS

BEN BROWN

Give

NATION'S  
BUSINESS12 issues of Nation's  
Business—one for each  
month of 1929—and a  
special wire on Xmas  
morning! Can you  
think of a better way to  
say "Merry Christmas"

# A Telegram on Christmas Morning— and NATION'S BUSINESS for all of 1929!

**F**ILL in the coupon and we'll do the rest. A special Christmas telegram to the receiver of your gift and the gift itself—twelve issues of Nation's Business—to remind him, once a month, of your friendship.

The Telegram—which he will receive on Christmas morning—will be sent by us and signed by you.

The magazine—starting with the January number—will come to him for the remainder of 1929, a repeating gift that will be an entertaining visitor every month.

What better way to say "Merry Christmas" to a man?

Fill in and return the coupon today and let our Christmas wire and Nation's Business solve one or more of your Christmas problems.

We suggest Nation's Business as a suitable and desirable gift to  
Business Customers  
Important Employees  
Business Associates  
Junior Executives  
Business Friends  
Fraternities  
Libraries  
Schools  
Clubs

NATION'S  
BUSINESS  
Washington, D. C.

Send your Christmas Telegram (with my name signed) and a one year subscription for NATION'S BUSINESS to the name and address listed below.

You may bill me—after January 1—for \$3.00, the entire price of the special Christmas offer.  
Telegram (to be received on Christmas morning) and a 1929 NATION'S BUSINESS subscription (starting with the January number) to

NAME.....

ADDRESS.....  
And BILL ME

MY NAME.....

MY ADDRESS.....



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THIS is the seventh of a series of editorials written by leading advertising men on the general subject of "Advertising"

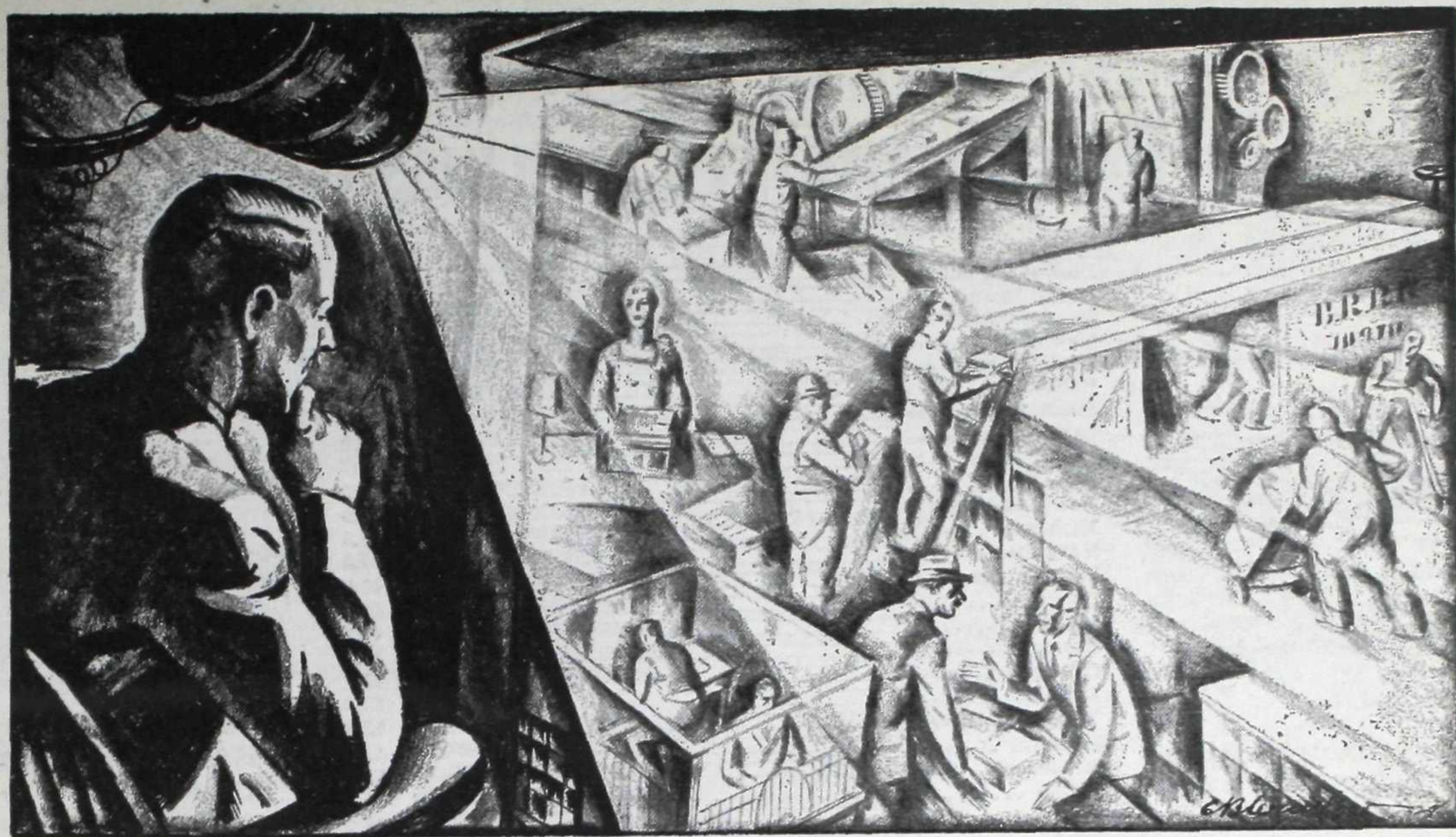


## An Advertiser asks himself Fifteen Questions

1. Has the market for my kind of product increased?
2. Has the ratio of my advertising appropriation to gross sales increased or decreased? (Motor vehicle registrations, for instance, which define certain markets have doubled in the past six years.)
3. Is my advertising adequate in view of what my competitor is doing both locally and nationally?
4. Am I aiming at as much of the potential market as the quality and availability of my product would seem to entitle me to?
5. If increased sales volume would yield economies in production, might not additional advertising achieve the increase?
6. Would some special advertising effort on a "leader" in my line stimulate local displays and intensify dealer effort for the whole line?
7. Is there anything the matter with my product or the way it is packed which prevents it from getting a proper share of the market?
8. Have I any weak spots in my territory that could be helped by intensive newspaper advertising?
9. Is there any product of a related nature which I could add to my line and so reduce high sales overhead?
10. Could the use of my product be broadened?
11. Might I not employ an additional advertising campaign to persuade present customers to use more of my product?
12. Could not my product be advertised and sold to industrial consumers as well as to individual consumers?
13. Have I at present the proper allocation of advertising effort between the urban and the rural markets?
14. Am I leaving some major class of media exclusively in the hands of my competitor?
15. How could I use radio?

MAX HACKER,  
The Blackman Company,  
New York City





# AN X-RAY OF YOUR BUSINESS

## *... every day at nine*

*All the facts and figures you need to know brought to your notice daily*

**H**ERE is a method that uncovers inefficiency . . . that sends a piercing light into the very vitals of your business.

Figures and facts that you need to know—now, today—cannot avoid its powerful glare . . . cannot hide away unseen and unsuspected, gnawing away at your profits.

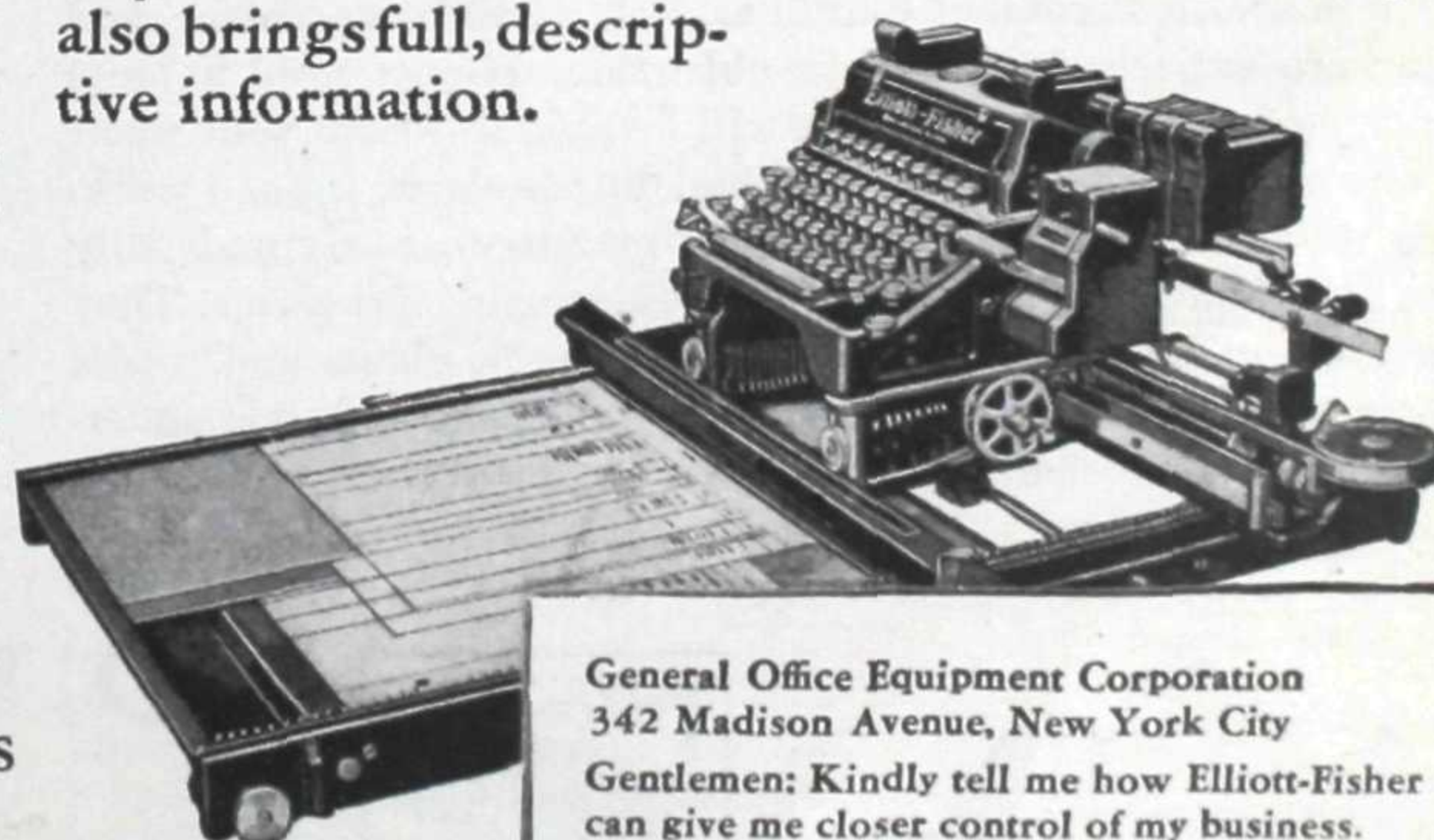
The activities of every department are recorded from day to day, week to week, and month to month. And each morning at nine all these vital figures are placed on your desk . . . focused in a single, simple, understandable report. A report which enables you to tell at a glance whether business is going ahead, slipping or standing still.

Elliott-Fisher accounting-writing equipment is doing this highly efficient job for thousands of

businesses, and it can easily be applied to yours. Without adding a man to your payroll, or in any way complicating any system you may be using, Elliott-Fisher can be quickly adapted to *your* business.

Almost beyond belief, Elliott-Fisher will improve your present methods and combine the most complicated accounting details into a system of remarkable simplicity.

The story can be quickly told—the method convincingly demonstrated. Let us send our representative. Hand the coupon below to your secretary and ask her to fill it in and mail. The coupon also brings full, descriptive information.



General Office Equipment Corporation  
342 Madison Avenue, New York City  
Gentlemen: Kindly tell me how Elliott-Fisher  
can give me closer control of my business.

Name \_\_\_\_\_

Address \_\_\_\_\_

# Elliott-Fisher

FLAT SURFACE ACCOUNTING-WRITING MACHINES

Product of

## General Office Equipment Corporation

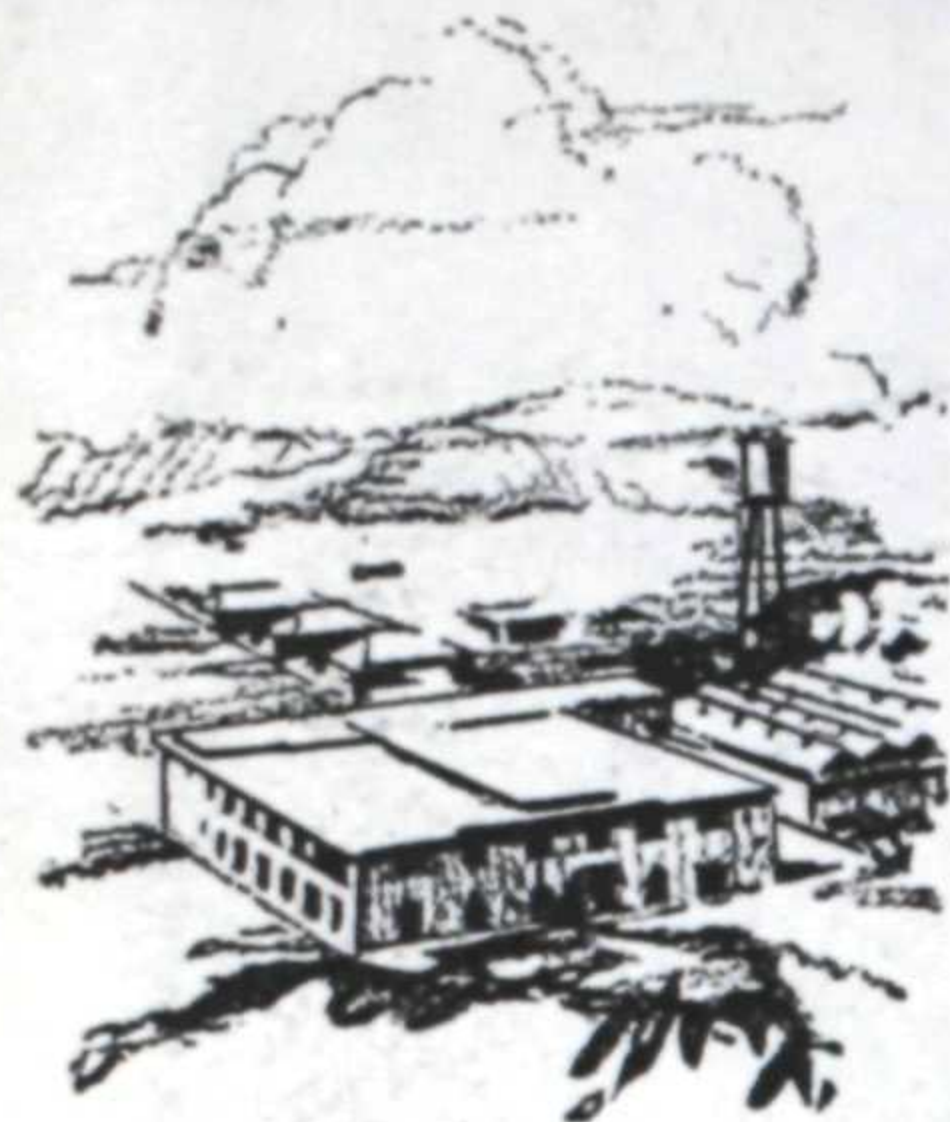
342 Madison Avenue, New York

ALSO MAKERS OF SUNDSTRAND ADDING-FIGURING MACHINES



# 1st or 43rd

## How do you RATE PIEDMONT CAROLINAS INDUSTRIALLY?



**PIEDMONT CAROLINAS** stands first in the Union in textile activity—in spindle hours. It holds first place in the manufacture of certain types of furniture, and stands fifth in total volume. It leads in the production of many important raw materials. But in one phase of American development the Carolinas stand 43rd.

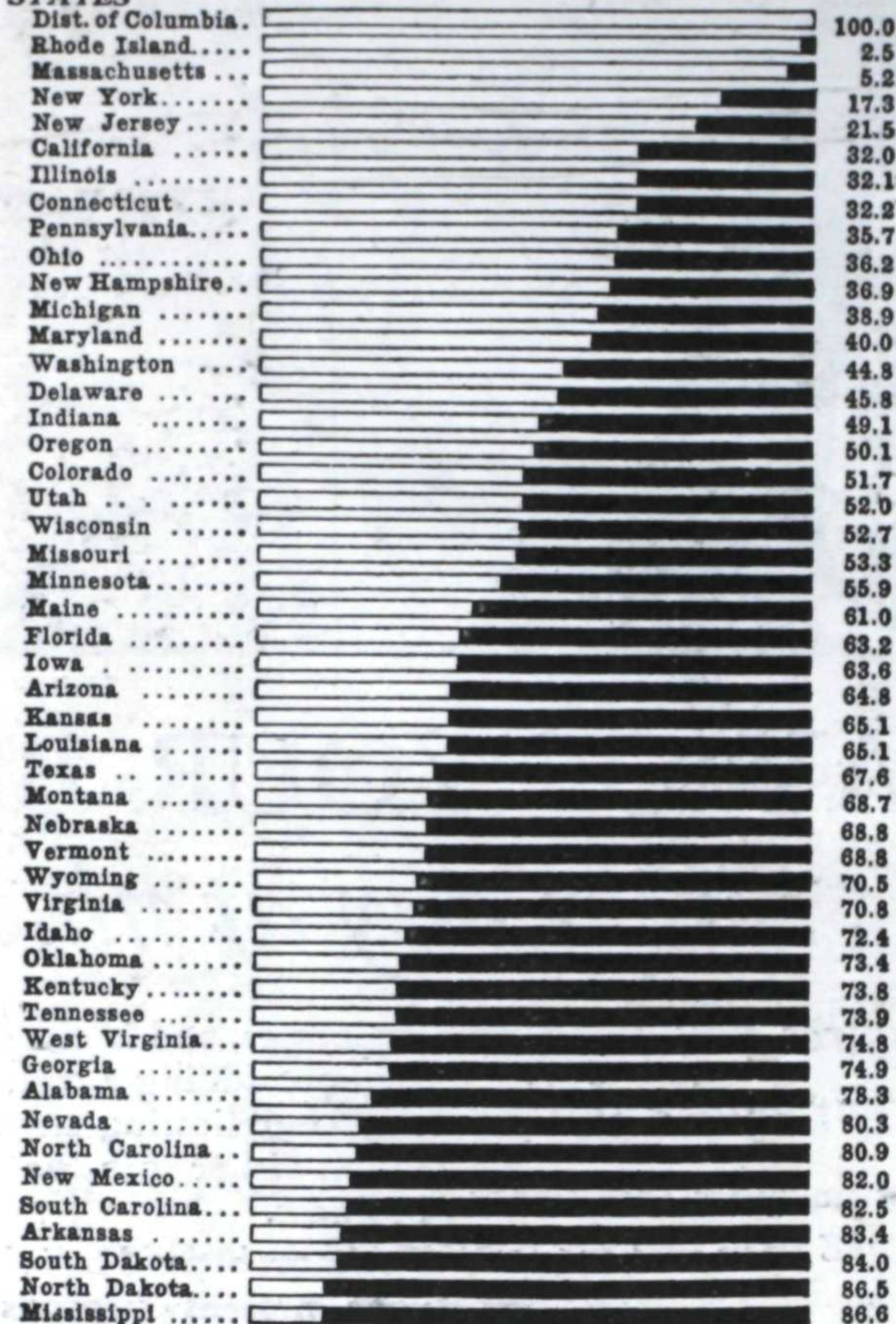
Among the sisterhood of states, only five have a smaller percentage of city dwellers. Nearly 82% of the people of the Carolinas live on farms and in communities of under 2500 population.

Small-town life is an underlying cause of the stable, productive industrial conditions you find here. There are no slums, no breeding places of unrest. It makes for a wholesome point of view. Centralized schools and the famous Carolina roads knit these communities together in common interests.

### The Two Extremes

There are, in Piedmont Carolinas, 1600 small communities, and many are entirely industrial in character. If you need a large number of skilled workers, you will be able to locate your plant in one of them. There you will find hundreds of trained workmen who form a supply of capable operatives, ready and fully able to handle highly specialized manufacturing processes. They provide the labor for new silk mills, rayon plants and weave rooms where fine goods are made. They provide help for underwear and garment manufacturers, makers of electrical appliances,

### STATES



Black space represents population in towns and communities under 2500 population.



fine furniture, and many others.

On the other hand, if you need unskilled operatives or workmen who can quickly learn to handle semi-skilled jobs, consider this fact: Back of every operative now employed in mills are three who have not yet left agriculture. In four Piedmont Carolinas' counties less than 1% of the population (U. S. Census, 1920) were reported as engaged in industry. Good roads, power lines, and transportation facilities open up many opportunities in *this* region.

There are the two extremes—and every type of manufacturer can be assured of an adequate supply of workers for any class of operation.

With plentiful raw materials close at hand, and an abundant supply of willing, alert, pro-

ductive labor, manufacturing costs are low. By moving here, many business men have re-won markets that profitless competition had taken from them.



### FACTS

The bare facts make good reading for any executive who wants to know how to cope with today's conditions. Send for the booklet illustrated here. It tells just what you want to know. Your copy is waiting for you. Address Industrial Dept., 121 Mercantile Building, Charlotte, N. C.



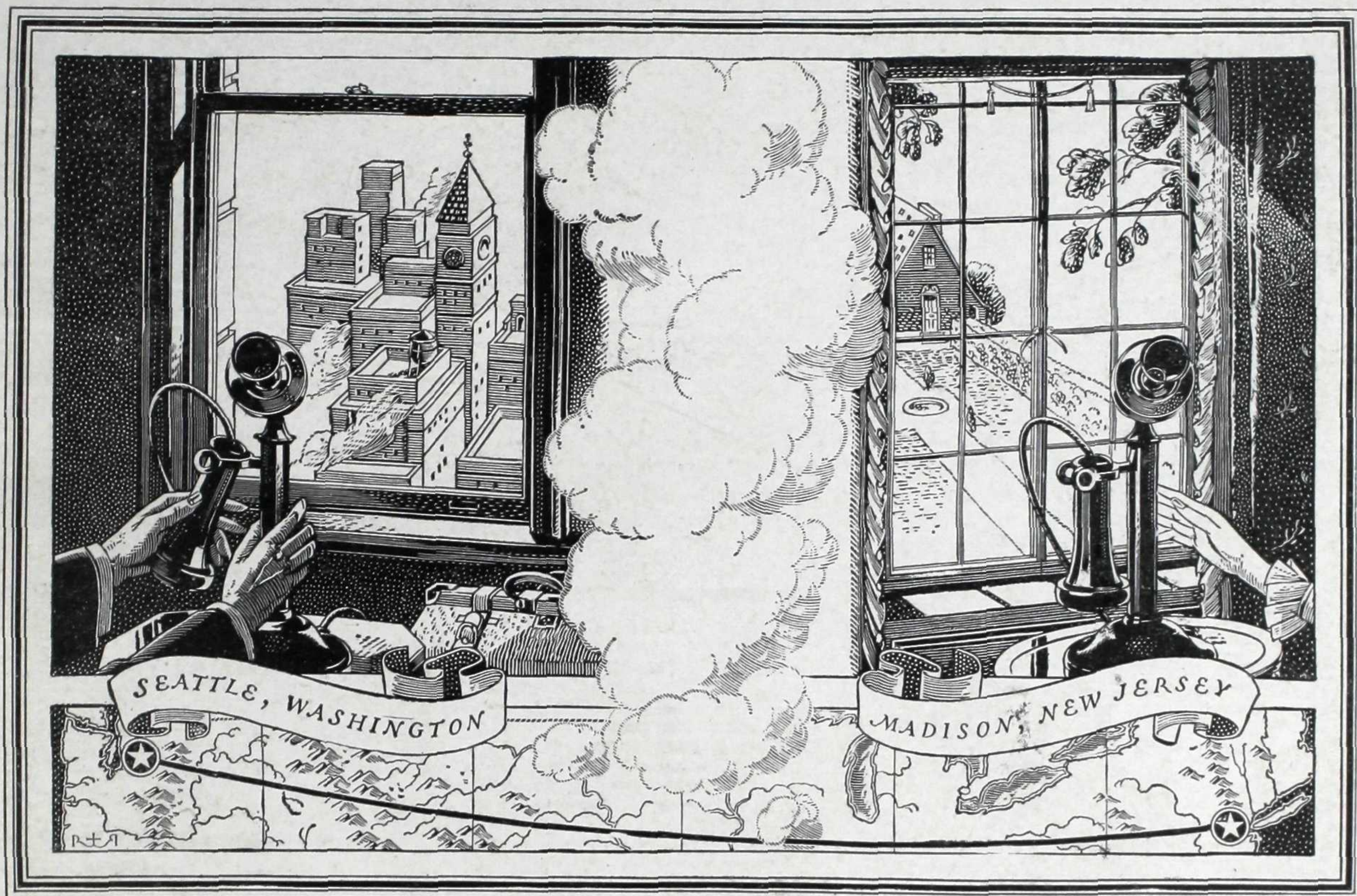
## DUKE POWER COMPANY

SOUTHERN PUBLIC UTILITIES COMPANY AND OTHER ALLIED INTERESTS





# "Setting Free the Mind as by a Miracle"



## *☞ An Advertisement for Bell Long Distance Telephone Service*

IN SEATTLE, Washington, far from home. Home-sick. Lingering doubts and apprehension about the welfare of his family in Madison, N. J., 3000 miles away.

He filed a telephone call, and a few minutes later the operator signaled.

A crisp, "Go ahead, please!" and then across the plains, mountains and valleys came to him the reassuring tones of a familiar voice.

"Setting free the human mind as by a miracle," is how this man describes long distance calls.

And business doubts are banished just as quickly. Whether in business or personal matters, telephone calls will quickly

clear the worries off your desk and out of your mind. You will be surprised how little long distance calls cost.

Under the new station to station day rates, Los Angeles to Chicago is only \$6.25. Denver to St. Louis, \$3.50. Miami to Atlanta, \$2.80. Dallas to New Orleans, \$2.20. Pittsburgh to Cleveland, 80c. Atlantic City to New York, 70c. Baltimore to Philadelphia, 70c. What distant calls could you make to advantage, now?

The station to station day rate from the Statue of Liberty to the Golden Gate is only \$9.00. . . . Calling by number takes less time. . . . *Number, please?*





**FACTORY  
ENTRANCE  
NO  
ADMITTANCE**



*To Waste*

"Stay out" is Timken's watchword to Waste's allies—Friction—Breakdowns—High Maintenance—Excess Lubrication—Power Loss—and Low Production.

Progressive industries protect both property and profit by putting Timken Bearings to work in line shafting, machine tools, electric motors, rolling stock, material handling equipment, rolling mills—and wherever wheels, shafts or gears must turn free from overburdening friction.

Timken full radial-thrust capacity retards depreciation, lessens maintenance cost and assures competent handling of radial loads, thrust loads and all combinations of the two.

—And preserving Timken qualities unimpaired are Timken tapered construction, Timken *POSITIVELY ALIGNED ROLLS*, and Timken electric steel—an exclusive combination.

Use "Timken-Equipped" as a guide in buying machinery, and you follow a sure sign of progress in all Industry—"NO ADMITTANCE—TO WASTE"



THE TIMKEN ROLLER BEARING CO.  
C A N T O N , O H I O

**TIMKEN**  
***Tapered***  
**ROLLER BEARINGS**